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RAILROAD CORRIDORS

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE

OF THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

H.R. 5408

A BILL ENTITLED "SOUTHWEST COAST CORRIDOR SERVICE"

JANUARY 14, 15; FEBRUARY 14, AND 28, 1980

Serial 96–168

Printed for the use of the
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- Atlantic City Casino Hotel Association, William J. Downey, executive director.
- Atlantic City Convention and Visitors Bureau, G. Gerard Kauper, president.
- Atlantic City Public Safety Commission:
  - Bodouva, William N., architect.
  - Herendeen, James H., Jr., project manager-transportation planning.
  - Kietz, Robert J., chief, mass transit.
  - Roth, Hon. Edward, commissioner of public safety.
  - Schipper, Doortje M.
- Atlantic City Urban Transportation Study, J. Philip Richey, Citizens Advisory Committee.
- Atlantic County, N.J.:
  - Matthews, Hon. Michael, assemblyman.
  - Simmens, Herbert, county administrator.
  - Worthington, Hon. Charles, county executive.
- California Department of Transportation:
  - Gianturco, Adriana, director.
  - Rupp, Jeff, deputy director.
- Citizens for Rail California, Carl H. Schiermeyer, vice president.
- Compagnie Générale D'Electricité:
  - Aureille, Yves.
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  - Chapus, Edmond.
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  - Williams, Robert.
- Greater Atlantic City Chamber of Commerce, William H. Eames, executive director.
- Greyhound Lines, Inc., William G. Stage, director of operations programs.
- Illinois Department of Transportation, Scott Nadler on behalf of John D. Kramer, secretary.
- Los Angeles County Transportation Commission, Jerome C. Premo, executive director.
- Michigan State Transportation Commission, Weston E. Vivian, commissioner.
- Modern Transit Society of Sacramento, Richard H. Rodda, secretary.
- National Railroad Passenger Corporation (Amtrak):
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  - Gilson, Larry, vice president of government affairs.
  - Tyler, Clark, group vice president.
- National Taxpayers Union, Len Rippa.
- New Jersey Department of Transportation:
  - Green, Brian, Office of Policy Analysis.
  - Jamieson, John R., deputy commissioner.
- New York Department of Transportation, Louis Rossi, State railroad administrator.
- Ohio Rail Transportation Authority, Mark J. Randall, executive director.
- Orange County (Calif.) Transportation Commission, Al Hollinden, chairman.
- Sacramento, city of:
  - Hatfield, Gregory N., Sr., management analyst.
  - Isenberg, Phillip, mayor.
- Sacramento Metropolitan Chamber of Commerce, John T. Kehoe, executive vice president.
- San Diego County, Harry Hecht, deputy county engineer.
- Shore Train Riders Club, Harry Hyde, Jr., coordinator.
- Southern New Jersey Development council, Louis J. Dalberth, director.
- Southern Pacific, John MacDonald Smith.
- Southern Transportation Co., William S. Weber, executive assistant, Office of Special Projects.
- Transportation Department:
  - Mongini, Arrigo, Deputy Director, Northeast Corridor Project, Federal Railroad Administration.
  - Sullivan, John M., Administrator, Federal Railroad Administration.
  - Thompson, Louis S., Director, Northeast Corridor Project, Federal Railroad Administration.
- United Transportation Union, Irvin McFarland, State legislative director, New Jersey State Legislative Board.

RAILROAD CORRIDORS

MONDAY, JANUARY 14, 1980

House of Representatives,
Subcommittee on Transportation and Commerce,
Committee on Interstate and Foreign Commerce,
San Diego, Calif.

The subcommittee met at 9:30, pursuant to notice, in room 310, county administration building, Hon. James J. Florio (chairman) presiding.

Mr. **Florio.** I would like the chairman of the board of supervisors from San Diego County, Mr. Roger Hitchcock, to come forward for brief opening remarks.

STATEMENT OF ROGER HITCHCOCK, CHAIRMAN OF THE BOARD OF SUPERVISORS, SAN DIEGO COUNTY

Mr. **Hitchcock.** Thank you, Congressman Florio. There are microphones under the desk which will pipe you into all the relevant rooms and the record of this hearing can be, I think, better kept. I want to welcome you, Congressman Florio, and, of course, our friend and representative from San Diego, Congressman Van Deerlin.

You are here on an important mission. We welcome you to San Diego County in general. It rains like this on 4.2 days out of the year. I am sorry you are here on one of those rather than one of the sunny days of the year.

But, you are going to hear, I think, some very relevant and strong testimony on the summary of transportation, which I hope will be helpful to you in your deliberations particular of Congressman Van Deerlin's proposals with regard to rail service in this county and southern California in general.

So, welcome to the facilities, to San Diego County. I hope you will find your stay fruitful.

Mr. **Florio.** Thank you. I would like to, in opening the hearings, express my appreciation to all the appropriate officials for providing us with these very lavish and nice accommodations. I am pleased to be here today with and at the urging of my colleague, Congressman Van Deerlin.

The subcommittee is here to explore the potential of the San Diego-Los Angeles route as an improved, upgraded rail corridor.

The dramatic change in the energy picture in this country has meant a substantial increase in rail passenger ridership. Funding of additional rail services is scarce, although it is clear in many places that there is additional demand.

I have asked the Committee on Ways and Means, which is now in conference with the Senate on the windfall profit tax, to include rail passenger corridors as eligible recipients of funds collected under that tax. The administration, in proposing the tax, intended that mass transit be a recipient of funds collected. However, the administration did not include funds for the improvement of the rail system.

Without funds from the windfall profit tax, the likelihood of obtaining funding for additional rail corridors is difficult to predict. We all are aware of the pressure on the Federal budget.

I look forward to hearing from our witnesses today about the benefits of upgrading the San Diego to Los Angeles corridor, particularly the energy savings that will result. I hope the testimony will make clear the importance of finding additional funding for expanded rail passenger service, as well as pointing out any obstacles to improving rail service.

Without objection, at this point, the text of H.R. 5403 will be placed in the record.

[Testimony resumes on p. 9.]

[The text of H.R. 5403 follows:]

[H.R. 5403, introduced by:
Mr. Van Deerlin (for himself, Mr. Patterson, and Mr. Corman) September 25, 1979,
Cosponsored on October 31, 1979, by:
Mr. Anderson of California, Mr. Beilenson, Mr. Coelho, Mr. Danielson, Mr. Edwards of California, Mr. Fazio, Mr. Hawkins, Mr. Johnson of California, Mr. Lloyd, Mr. McCloskey, Mr. Matsui, Mr. Mineta, Mr. Roybal, Mr. Santini, Mr. Stark, Mr. Bob Wilson, and Mr. C. H. Wilson;
Cosponsored on December 31, 1979, by:
Mr. Royer, Mr. Shumway, and Mr. Goldwater.]

A BILL

Entitled "Southwest Coast Corridor Service".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rail Passenger Service Act is hereby amended by adding the following new section 406:

"SOUTHWEST COAST CORRIDOR SERVICE

"SEC. 406. (a) In order to take advantage of the potential of intercity rail passenger service in providing efficient transportation with minimum requirements for consumption of fuel and use of land, and to expand the national distribution of the benefit of such modern, high-speed service provided on corridors between major metropolitan areas, the Corporation is authorized to take such actions as may be required in order to permit operation of trains on schedules of one hour and fifty-five minutes between Los Angeles and San Diego, with at least five intermediate stops en route, and to operate more frequent train service on such improved schedules, and to establish through passenger train service beyond Los Angeles to the San Fernando Valley to Oxnard on some or all trains operated in the Service between Los Angeles and San Diego. The improved service to be provided as authorized by this section shall be called the Southwest Coast Corridor Service and shall be referred to in this section as the 'Service.' The acquisition of capital improvements required in order to permit the operation of the Service shall be referred to in this section as the 'Improvements.'

"(b) In developing and implementing the Improvements and in operating the Service, the Corporation is authorized to improve the tracks and facilities of other railroads (including their subsidiaries) or of public bodies, and may acquire such properties or interests therein, may agree upon suitable arrangements for the actual performance of the Improvements or perform them directly, and for the future operation and maintenance of all properties improved or acquired for the operation of the Service. Any such arrangement entered into by the Corporation shall insure that the benefits sought to be obtained from the investment of funds by the Corporation in acquiring or improving properties required for the Service shall be protected. In order to perform the Improvements and operate the Service, the Corporation is authorized to acquire any railroad rights of way and related facilities or any other real property (including any type of interest therein, or right of use thereof), to relocate any portion of an existing line and abandon service previously provided on such portion of such line, and to dispose of excess real property by sale or other conveyance on the most favorable market terms. Notwithstanding any other provisions of law, in performing the Improvements, the Corporation is authorized to contract out any work if an independent contractor is capable of performing such work more efficiently than the Corporation or a contracting railroad. Any other railroad which was providing service on a portion of a line which is relocated by the Corporation is hereby authorized to discontinue service on such portion without prior authorization of any governmental body.

"(c) The Corporation shall initiate all actions, including the following, to undertake the Improvements and institute the Service:

"(1) Through discussions and negotiations with railroads and other entities, develop arrangements for the acquisition of title to interest in, or rights to use properties which may be required or useful for making the Improvements, and develop arrangements for performance of the Improvements, maintenance of such improved properties, and operation of both passenger and freight train service on such properties in the future: *Provided, however,* That any such arrangement agreed upon by Amtrak and another party shall be made contingent upon the availability of sufficient funds to complete the undertaking provided for therein;

"(2) Obtain any permits, approvals, or agreements from local, State, or Federal governments and agencies thereof, or from private parties, in order to perform any aspect of the Improvements or operation of the Service; including such permits, approvals, or agreements as required in connection with the sale and subsequent development of any property acquired by the Corporation in connection with the Improvements which are not required for the operation of the Service; Studies by Amtrak or others must coordinate closely with State of California Department of Transportation and consider previous studies done by the State on the San Diego-Los Angeles-Oxnard corridor. Also, consideration must be given to existing or planned commuter rail service being run by the State or others on all or portions of the San Diego-Los Angeles-Oxnard corridor;

"(3) Develop improved arrangements with affected labor unions to ensure that the Improvements are carried out, and the Service operated, with a high degree of labor efficiency;

"(4) Evaluate the feasibility of electrification of the rail lines on which the service is to be operated;

"(5) Evaluate the ridership and revenues which the improved Service will generate, depending on the number of trains operated and the degree to which various service options may or may not be adopted; and

"(6) Develop a detailed statement of the costs required to operate the Service and maintain the Improvements, as well as a statement of the capital costs of the Improvements, including those required for acquisition or improvement of rail lines, stations, other facilities including elimination or improvement of grade crossings and equipment to be operated on trains in the Service.

"(d) The Corporation shall provide to the Congress not later than three months after the date of enactment an interim estimate of the capital costs of the Improvements. No later than six months after the date of enactment the Corporation shall provide to the Congress a detailed report containing (1) a statement of all of the progress made in compliance with subsection (c) of this section, (2) the results of all analysis and evaluation performed in connection with the development of the Service, (3) a statement of all significant obstacles to expeditious performance of the Improvements and initiation of the Service and a projection of the date upon which the Service can be operated if those problems are resolved and sufficient funding is provided, (4) a statement of the amount of capital and operating funding which would be required in order to carry out the Improvements and initiate the Service, and (5) its recommendations with respect to the desirability of carrying out the Improvements and Implementing the Service.

"(e) There are authorized to be appropriated to the Secretary for the benefit of the Corporation for the payment of expenses incurred in undertaking the actions required in subsections (c) and (d) of this section not to exceed $5,000,000. In addition, there are authorized to be appropriated to the Secretary for the benefit of the Corporation such sums as may be required to carry out the Improvements required to implement the Service.

"(f) Notwithstanding any other provision of this Act, it is not the intent of this section of the Act to preempt or reduce existing or prospective local and State authority to develop rail passenger transportation service.".

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Mr. **Florio.** One of the prime motivators in the Congress in terms of directing the attention of the Nation, not only exclusively in the Northeast, but in other areas of the country, to deal with corridor projects is my colleague from the Commerce Committee. And, I would like to now ask if Mr. Van Deerlin has opening remarks. Mr. Van Deerlin.

STATEMENT OF HON. LIONEL VAN DEERLIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Van Deerlin.** Thank you, Mr. Chairman. It is indeed true that I implored you to come to San Diego and you responded by making this the first stop in the study of appropriate corridor rail legislation to help Amtrak do a better job everywhere in the country.

It is to be noted that you picked the date, however. And, that meant circling Lindbergh Field for a while last night and then flying all the way back to Las Vegas. You got in very late. Then to get up this morning and be greeted by New Jersey weather is almost more than should be imposed on any visitor.

But, we are eager for the opportunity to call your attention to the need for improved corridor rail service between San Diego and Los Angeles, one of the most densely populated and fastest growing parts of the Nation.

San Diegans and others residing in this 3-county corridor of some 12 million people are relying on the train as never before. The way events are unfolding, it appears that they will be ever more dependent on the train as this part of Southern California becomes more congested.

Because of escalating fuel prices, the economics of the airline industry have changed, and there has been a reduction of about one-third in the number of flights between San Diego and Los Angeles.

And it just happens that, even with what they are paying for fuel now even with full loads, the airlines say they cannot cut the break-even point at 120 miles flights in the big jets.

Auto travel is also becoming more difficult. Gas is as expensive here as elsewhere, and whenever there is an international crisis, it is tough to find at all.

We are here to see what can be done about this transportation crisis in southern California because we need alternatives—alternatives to airplanes and autos. We need both improved intercity bus service and faster more frequent train service. Having one is surely no excuse for not having the other.

The big, beautiful, centrally located passenger stations in both Los Angeles and San Diego should be humming as they were in the 1940's. New stations should be built along the route, and the way should be made straight so at least one dozen trains a day could make the trip in less than 2 hours.

A million extra passengers would save nearly a quarter of a million barrels of oil a year, and considerably more if the lines were electrified.

If every other industrialized nation can have modern rail service, I wonder why we cannot. We are still the world's acknowledged technological leader.

In southern California alone we have the aerospace, computer and transportation know-how to solve any rail transportation problem. If the Japanese can run a 130-mile-an-hour train that makes money—and, I might add, one that has a safety record comparing very favorably to our own in rail accident statistics—we certainly can do as well.

We must not allow ourselves to lag behind the rest of the world in developing technologies for achieving fuel efficiency. Improved Amtrak service between San Diego and Los Angeles would mean at least a step in the right direction.

One million southern Californians voted with their patronage for the improvements last year. And, since even half empty rail cars are twice as efficient as fully loaded automobiles, it is definitely in the national interest to promote and enhance rail passenger service, not only here but wherever it can provide a viable transportation alternative.

Your presence here this morning, Mr. Chairman, and the presence of your able staff is a very big plus in satisfying the hopes that we have for making the San Diego to Los Angeles run or the San Diego to San Fernando Valley the equal of transportation anywhere in the world.

I thank you for being here. You will have some far abler witnesses than I to hear from. I shall look forward to their testimony.

Mr. **Florio**. Thank you very much.

Our first witness is Hon. James Mills, California State Senate, Sacramento, Calif. Mr. Mills.

STATEMENT OF HON. JAMES MILLS, SENATOR, STATE OF CALIFORNIA

Mr. **Mills**. Thank you, Mr. Chairman, and Mr. Van Deerlin. I would like to welcome you to California and especially to San Diego. I hope the testimony you receive today will be helpful. At the outset, I would like to share with the committee the most encouraging aspect of the Los Angeles-San Diego corridor service that has been referred to already by Congressman Van Deerlin.

We have increased service over the last few years and the ridership has increased at a higher rate than the increase in service. So that since 1972, ridership has increased fourfold, while the service has only increased by twofold. That actually was done as the result of legislation which I carried which provided for 403(b) contracts. This is rather different from what has taken place in the corridor, the Northeast corridor.

We have now an average daily ridership of about 3,000 persons, which almost exceeds the ridership estimate studies exploring the feasibilities of service predicted for 1995.

Now, let me reemphasize one point, and that is that this increase of quadrupling the service is the result simply of an increase in the frequency that has been provided. And, there was no other improvement in service, there was no improvement in the running times of the trains. The trains don't run any faster. They are still too slow just as they were in the beginning.

But, there was an important lesson in it. This service is a success. The success is reflected in the strong support for the service in the public and private sectors.

The rail passenger service in this corridor has a long history. And, at one time, there were 14 trains operated between Los Angeles and San Diego. When Amtrak began providing service in 1971 service had deteriorated to only three trains a day, which is a sorry state of affairs.

Those trains were only running to connect with Amtrak outside of Los Angeles. Today, six trains operate in the corridor and plans to institute a seventh and eighth have been delayed due to the reluctance of the Santa Fe Railroad Corp. to accommodate any additional passenger service in the corridor.

Studies which I have had commissioned through legislation have concluded that service above the current level is warranted. As a matter of fact, the studies have demonstrated with 64,000 persons per lineal mile residing in the corridor, the Los Angeles-San Diego corridor, ranks second to the Northeast corridor, which has 100,000 persons per lineal mile, as a market.

This conclusion, I might add, was reaffirmed in 1975 by the National Research Council's Assembly of Engineering in an independent study on the future of passenger rail service commissioned by the U.S. Secretary of Transportation.

California participates with Amtrak in providing service by virtue of section 403(b). And, let me say in that regard that an interesting factor to me was that when I carried the legislation to provide funds to increase the frequency of service, I think there was no one in support of it. Certainly, Amtrak was not. The State department of transportation was not. The present director, Ms. Gianturco, who is due to appear before you, was not at that time the director. Her predecessor was not enthusiastic about it. Other members of the legislature were not. And, generally speaking, people just thought it was Jim Mills, who liked trains, wanting to get some. And, there were such comments made.

But, the six that existed, which seemed to be that clearly we couldn't expect people to ride trains unless service was convenient, that was an argument that I made that didn't convince anyone. But, no one ever seems to be convinced of it, at least in this corridor.

That section of law allows the States and Amtrak to provide cooperatively a level of service above the base level supported by Amtrak. The first step was a bill that I carried that provided for Caltrans trains to conduct an engineering feasibility study to determine the alternatives and costs for improving and upgrading rail service between Los Angeles and San Diego. I might add that when I carried this legislation, there was not any enthusiasm for it either.

The report concluded that first phase improvements costing $1.4 million could reduce travel time in the corridor by 18 minutes. These improvements were limited to such simple actions as fencing segments of the right-of-way, retiming automatic grade crossing protection devices and removing some local speed restrictions.

By the way, we are still working on that. I don't know how far you want to get into that, but Amtrak has applications into the

PUC to remove some of the speed restrictions that presently exist on the line. And, removal of those restrictions, some of which are unreasonable, will result in some useful improvements in running time.

As a result of this report, I sponsored legislation appropriating $1 million for 403(b) service and $1.6 million for implementing the improvements called for in the report. California's first 403(b) service in the corridor was inaugurated in September 1976. The appropriate State officials were directed to work with Amtrak to develop a program of projects necessary to obtain the desired reductions in travel time.

Currently, California cooperates with Amtrak in supporting three trains per day, half the service in the corridor. Since State-supported service began in September 1976, California has spent, through August 1979, $2.6 million for the service. The ratio of revenue to cost has improved from a low of 29 percent in the first month service was funded to 58 percent in September 1979.

In August 1979, at the height of the vacation season, the revenue-to-cost ratio of 403(b) service in the Los Angeles-San Diego corridor is better than any large public mass transit system in California.

The other point that needs to be made in passing, of course, that the way to economies may not necessarily always be the reduction of service, but may be providing an optimal service instead.

In addition to legislation appropriating funds to subsidize service, I have also carried various measures appropriating funds that may be used for enhancing existing stations, including parking and bus access inprovements, or for the construction of new stations, if necessary.

Of the $5.3 million appropriated for this purpose, 43.6 percent of $2.3 million has been allocated for station improvements in the corridor.

I am sorry to say there has been considerable delay in the implementation of this project. The popularity of the station improvement program, as well as a recognition of the importance of the corridor service, is manifested by the offers of land donations for two station sites in Orange County, as well as the desire of restaurateurs to open businesses in or near existing stations.

We do have an additional project, by the way, going forward for a new station in Del Mar, which is being financed mostly by local and State funds.

Finally, the most recent legislation which I authored appropriates for 3 years $36 million for capital and operating assistance so that California can expand passenger rail service. The chairman of the transportation committees of both houses of the legislature joined with me in sponsoring the measure. The Governor actively supported the bill as well.

As you can see, what began as a lonely endeavor is now enjoying statewide support. I anticipate a State department of transportation report in a few weeks identifying the program of projects for which the funds will be spent. I expect the continuation as well as the enhancement of the corridor service will be among elements of the program.

At the outset, I shared the most encouraging aspect of the corridor service. Now, I should like to share some of our discouragements. The principal discouragement which we have encountered has been institutional in character. To begin with, the San Diego-Los Angeles service does not serve the entire Southwest corridor.

A major center on the axis of the corridor, the San Fernando Valley, with a population in excess of 1 million persons is not served. Farther to the north is the Simi Valley and Oxnard, two growing communities in Ventura County, again, unserved markets.

To extend the existing service beyond Union Station requires using Southern Pacific tracks. Southern Pacific regrettably has been unwilling to cooperate in this matter or any matter relating to rail passenger transportation.

We have an application in for an overnight service between Los Angeles and the Bay area. Southern Pacific is unwilling to allow that service to run. We attempted to provide service between Sacramento and the Bay area where it is desperately needed because the number of airplanes that have been cut down. And, that also they have refused to do. So, this is their general pattern.

But, this has resulted in the California Department of Transportation petitioning the State's Public Utilities Commission to require Southern Pacific to carry service on its tracks to Oxnard. Another institutional problem has been the inability of Amtrak, Santa Fe, and the State to reach any sort of agreement on making improvements for which funds were appropriated in 1978.

I saw in the Los Angeles Times yesterday a statement from Santa Fe about that. And, if I can read it, it says:

> About $1.6 million in State funds is available to make such short term improvements as track fencing and straightening of curves under legislation passed in 1976. That legislation by State Senator James R. Mills, was intended to speed up the running times. However, the money has not been spent because Santa Fe fears that State funded improvements could become public property.

This is a quote, "The way we see it, the ownership of any improvements made by the State goes to the State under the various legislation," which Mike Martin, special assistant for Santa Fe Public Relations said.

And, then he went on to further quote, "We don't want to allow portions of our track to be controlled by anyone but Santa Fe."

That has been a very difficult thing that Santa Fe has been recalcitrant and difficult to deal with because when they raised that question quite sometime back, I carried legislation making it clear that the State of California in entering into these arrangements with Santa Fe Railroad Co. enter into agreements at the same time that the property would remain, the title of the property would remain, with the Santa Fe Railway. And, there is no problem. They simply don't want to do it.

If they did want to do it, I am sure we could work it out. And, we do have a problem with the Santa Fe Railway in that regard. I would be willing to carry any piece of legislation that would resolve to their satisfaction and attempted to. And, all they tell us is that the last piece of legislation in their opinion, doesn't deal with it. And, all we can get is opinions from our attorneys that the last piece of legislation does, in fact, deal with it.

So, we are at a bit of an impass there. And, I think, the simple fact is that Santa Fe doesn't want the improvements because they don't want improved service and they don't want more trains.

As your committee considers the appropriate course of action the Federal Government should take in regard to the corridor, I would like to share with you an important objective. However, the provision of service is finally organized, every effort should be made to provide the service in an optimum fashion.

By this I mean equipment and personnel should not stand idle while payments are being made for their availability. Similarly, schedules should not have substantial gaps, especially at midday, as they serve as deterrents to potential riders.

The best economies may be effected by increasing service. That was the case in this corridor. Congress should take note that the way to save money may be to increase service in some instances. Unfortunately, the institutional problems in the corridor are precluding the achievement of optimal service.

I would like to make a cautionary remark in closing. The Southwest corridor is different from the Northeast corridor. One difference is that the railroads in this corridor are not bankrupt. Although I feel very strongly that it is in the public interest to have a higher level of passenger rail service in the corridor, I also feel strongly that it is not in the public interest for government to take actions that would cause financial harm to a railroad. We must find ways where the public good can be realized without harming the railroads. And, I am positive it can be done.

However, I think the railroads, as in the past, will raise simplistic objections. And, the important thing that I would like to remember is that when the railroads raise objections to the improvement of service that the Congress and the State legislature have no reasonable alternative except to get in people who are authorities whose knowledge is sufficient to deal with the objections the railroads raise.

For example, Congressman Van Deerlin got a letter saying that they couldn't deal with more trains going from Fullerton into Los Angeles because they put all of their trains on the east on that line. Well, they don't have to. They have two lines into Los Angeles and if they put all of them on that line, that is their choice.

It doesn't mean that we should not make better use of the line from Fullerton and they shouldn't make better use of the line that goes from Pasadena that way. Also, there are other rail lines that go from Santa Ana and Fullerton, and that additional capacity might be used.

You will hear from Greyhound Bus Co. A very nice man who introduced himself. And, I would like to make one point, and that is that certainly the bus service is necessary and vital, but the representations that you often hear that the two are in direct conflict and competition are not necessarily true.

The studies that were, the surveys that were done of the increased number of passengers using the San Diego-Los Angeles service indicated that more than one-fifth of them were people who previously rode the Greyhound. Most were people who had previously driven and previously taken airplanes. The problem with airplanes is a very severe one because the number of flights per week in the last year between San Diego and Los Angeles has diminished from 290 flights to 140 flights.

We have to find some alternative means of providing people with transportation.

I see in the paper that one or two smaller airlines are hoping to fill this gap to some extent with small planes. But, I don't think any of us expect that the gap will be filled and the capacity that did exist will be replaced by these smaller planes.

So, what I am coming around to is to say I think for any number of reasons, improved service, including improved running times, are vital in this corridor. I think subsidization is perfectly appropriate.

I will make one last reference to Greyhound because their representative the other day said on the radio that they were against Congressman Van Deerlin's bill because Greyhound provides a service that isn't subsidized. Well, that, of course, is not true at all.

Greyhound receives substantial subsidies. And, I think that the Government policy has to be a consideration of what subsidies are appropriate in terms of what the dollar benefit of the dollar spent is, what the dollar benefit is as related to the dollar spent. And, I hope that we could work this out in such a fashion that we could optimize bus travel at the same time as we try to optimize rail travel because I think it is in the public interest to do both.

Thank you, Mr. Chairman.

Mr. FLORIO. Thank you very much, Senator. It is obvious you have played a very important leadership role here in the State. We appreciate your testimony. For the record, it should be noted the Santa Fe Railroad was invited to take part in the hearings this morning, but, unfortunately, for reasons of their own, they choose to not to take part.

We think that is unfortunate from their standpoint and from the standpoint of the public interest in denying the committee the opportunity to obtain information from them with regard to their positions on some of these issues.

Mr. MILLS. I regret that, too, Mr. Chairman, because the question, for example, of the expenditure of State funds and not having the property upon which the improvements are made conveyed to the State is one that I am concerned about. And, nobody in the State of California wants that to happen, nobody in the Department of Transportation, nobody in the legislature desires it. Everyone would be more than happy to work with Santa Fe to deal with their objections. The problem is the same as you experienced today. The problem is getting them to sit down and discuss it and ask what is it that is necessary to deal with the objections that you have.

And, I don't think they want to do that because it leads to a resolution of a problem which I suspect they don't want to resolve.

Mr. FLORIO. Mr. Van Deerlin.

Mr. VAN DEERLIN. No questions, Mr. Chairman. I would just note that Senator Mills, in addition to the chores of State leadership, is the president pro tempore of the California State and has established such a reputation for knowledge in the transportation field that he was the administration's selection for membership on the Amtrak borderly in 1978. And, we feel we are well represented having him there. And, we are going to count heavily on him to keep nudging everyone concerned until we bring order out of this transportation chaos in southern California.

Mr. **Mills**. Mr. Chairman, I might volunteer a final remark. Mr. Van Deerlin, on the other hand, I would like to pay him a compliment. I think the bill he has introduced is a really very hopeful thing. It is the first hope we have had for substantial improvement in running time between San Diego and Los Angeles, which is necessary to further make the services useful to people.

I refer again to the Los Angeles Times. In yesterday's paper there was an article that says, "More trains urged from San Diego go to the Los Angeles run. An Amtrak aid calls 130 million an hour service the ideal solution."

I would like to endorse that for San Diego to Los Angeles, from Washington to Boston, from Detroit to Chicago, and every other place.

I don't know how this happened, whether it is a serious statement on the part of the Amtrak aid or whether the reporter was making more of it than he should. But, it seems to me clearly that that kind of solution, if we had unlimited amounts of money all of us would love to see it. But, the practical approach does not go so far.

The practical approach is, I think, delineated by Congressman Van Deerlin's bill.

Mr. **Florio**. To endorse something is not quite the same as to see it happen. Mr. Van Deerlin and I both endorse a balanced budget. We are not sure our endorsement means much more than that. We thank you very much.

Our next witness is Hon. Al Hollinden, chairman of the Orange County Transportation Division. We welcome you to the committee.

STATEMENT OF AL HOLLINDEN, CHAIRMAN, ORANGE COUNTY TRANSPORTATION COMMISSION

Mr. **Hollinden**. It is a pleasure to be here, Mr. Chairman. You have copies of my testimony here. I will not dwell too terribly long on it. Senator Mills has certainly covered the major features of some of the things I was going to say as well.

Mr. **Florio**. May I say that all the witnesses' written prepared testimony have been presented in advance, have been read by the members of the committee and staff, and they will be entered in their entirety in the record. The witness may feel free to proceed in a summary fashion.

Mr. **Hollinden**. That is what I intend to do.

I would like to point out that Orange County is presently the sixth most populous county in the United States and the second largest in California. Actually the three counties that are affected mainly by this corridor of Los Angeles, Orange, and San Diego are respectively the second, sixth, and seventh largest counties in the United States and currently represent about 11 million people. And, we are moving toward 12.5 million people by the end of the decade.

So, I think, it very, very important to keep that in mind as we go along with our thinking here.

We have, the three counties collectively, joined together and formed an organization called the Tri-County Rail Committee in an effort to work together to solve the common problems between the three counties and to work in a very cooperative fashion. And, we meet regularly and we have achieved a great deal in terms of developing a common position.

We know in Orange County, being in the middle of the three counties, that we probably derive as many benefits out of this corridor as anyone. And, one of the more surprising things to me personally as we go along is to watch not only the great numbers of people departing at the various stations in Orange County, is the great numbers of people arriving.

So, it has become not only an origin point for people going to work, but also it has become a destination point. That is something we didn't quite expect at the beginning of this procedure.

So, in other words, it is not just people travelling the entire length of the corridor. There is a great deal of on-and-off traffic included in this whole system as well.

Our local governments are contributing in a number of different ways. Some of the stations are part of the redevelopment projects in the city and they are rehabilitating these stations, making them multimodal in nature. Our transit district in Orange County is working very closely with all the people involved to provide the bus service in conjunction with the train stations. So, they are truly multimodal in nature.

The State has provided us some excellent sources of funding. The cities put up the local match. The transit district helps put up the local match. And, we are undergoing an important train station rehabilitation program and a grade separation program throughout Orange County.

We still have some at level crossings where we have 40,000 and 50,000 daily vehicle counts of traffic and the gate has to drop down as the very fast Amtrak train comes rolling through.

We also are concerned with the truck traffic problem through Orange County. Two lanes of our Santa Ana Freeway are almost exclusively devoted now to truck traffic throughout the day. We feel any improvements in the corridor is going to enhance the freight operations and take a great deal of pressure off of our highways as well.

With that, you have my testimony. I appreciate your coming out here to listen to our people. And, we are willing to work very cooperatively with the county of Los Angeles, the county of San Diego, the Federal Government, and the State government to make this program work. Thank you very much.

[Testimony resumes on p. 26.]

[Mr. Hollinden's proposed statement follows:]

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TESTIMONY

OF

AL HOLLINDEN

BEFORE THE

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE

OF THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

JANUARY 14, 1980

SAN DIEGO, CALIFORNIA

Mr. Chairman, members of the Subcommittee, Congressmen, I am Al Hollinden, Chairman of the Orange County Transportation Commission, member of the Orange County Transit District Board of Directors, and Councilman from the City of Fountain Valley. Myself, the members of the Commission, and the Citizens of Orange County are pleased that the subcommittee is interested in hearing local concerns about rail passenger service in Southwest California.

As an introduction, I would like to state that the provision of intercity and commuter rail passenger service in the Southwest corridor is a component of our major countywide transportation plan. We conduct our planning and programming on a multi-modal basis and have recently completed a major long-range planning study which identifies our transportation capital and operating needs to the year 1995. In 1995 Orange County will have a population of 2.6 million and an employment of 1.25 million.

Orange County is presently the sixth most populous county (1.9 million) in the United States and the second largest in California. The three counties most affected by the corridor are Los Angeles, Orange, and San Diego. These counties are respectively the second, sixth and seventh largest counties in the United States representing over 11 million people. By 1990 the population of the three counties is expected to increase to 12.5 million.

The three counties have also recently formed a Tri-County Rail Committee spearheaded by Orange County Board of Supervisor's Chairman Ralph Clark. This Committee has laid out a set of objectives and will be a policy, technical , and advocacy Committee at local, state and federal levels for capital improvements and additional passenger service in the Southwest corridor.

The request for testimony related to this hearing listed five questions for me to respond to. I would now like to respond as well as I can to those questions.

1. What benefits would local communities enjoy from a Southwest corridor upgrading project?

The benefits from capital improvements in the corridor would be to enhance intercity and commuter rail passenger ridership by allowing for faster trip times and more trains per day to be operated. With the existing travel in the corridor, compounded with the expected growth and the lack of airport capacity, the intercity rail passenger service offers an option for these users and a corresponding reduction of time and energy consumed.

An upgrading project could also enhance the increased use of rail freight service in the corridor as Interstate 5 through Orange County is exhibiting some of the highest truck volumes in the country.

2. In what ways would it be appropriate for local governments to contribute financially to a Southwest corridor upgrading project?

There are many ways in which local governments can assist in this project and many already have. Local governments can participate financially in local matches required for state and federal assistance related to stations and grade separations and also through development condition approvals related to dedication of additional rights-of-way needed for stations, parking, bus interface and mainline track areas.

Through a recent change in State law, our transit district and the Orange County Transportation Commission can program local sales tax, previously available only for public transit, for railroad grade separations projects.

Local governments along the corridor in Orange County are very interested in working with the state and federal governments to arrive at an equitable funding package for capital improvements in the corridor.

3. What incentive can local governments or industries offer, such as free parking, that would encourage increased ridership?

The Orange County Transit District through a recent change in legislation can now offer discounted monthly pass tickets on Amtrak to enhance the ridership in the corridor. Local agencies in the development of station improvements are providing free parking and are encouraging the transit agencies to provide connecting service by offering bus loading and discharging areas.

These incentives as well as local government advertising of the service available through the cities newsletters can greatly encourage increased ridership commensurate with the service capacity provided.

4. Would it be feasible for local communities to provide connecting intermodal service with rail service?

Orange County through the Orange County Transit District is responding already and presently provides bus service at the Amtrak stations and will provide service to the proposed additional stations.

With a major upgrading project and the provision of additional service OCTD would be capable of providing frequent connecting service to all stations. This would provide the multi-modal interface and reduce the need for automobile parking spaces at the stations. The inherent energy savings of more bus usage rather then private automobile usage has substantial benefits.

5. Describe the present conditions of the stations you are most concerned about. What role does local government or business currently play in station improvement projects?

This again is an area where the Orange County Transportation Commission in conjunction with local communities and private developers have made considerable progress.

The OCTC has an adopted policy supporting the existing stations in Orange County plus the addition of three more. Listed below are the seven stations adopted by OCTC and the status of their development or improvements.

a. Fullerton -- This is an existing station, but is being upgraded as a transportation center with City redevelopment, OCTD and State funds.

b. Anaheim -- This is a new station to be located next to Anaheim stadium and will provide service to the stadium, Disneyland, Convention center and the industrial complex. This project has City and State funding.

c. Santa Ana -- This is an existing station and is very substandard. An application is now pending for State funds to relocate the station to a better site just north of the existing station. City funds are being provided also and this project is currently rated number 1 priority by OCTC for the State funding programs.

d. Irvine -- This is a new station to be located in the Irvine Industrial Complex East, which will have an employment base of 50,000. The land will be dedicated by the developer. This project has also applied for State funds and is ranked priority number 2 by OCTC for the State funding program.

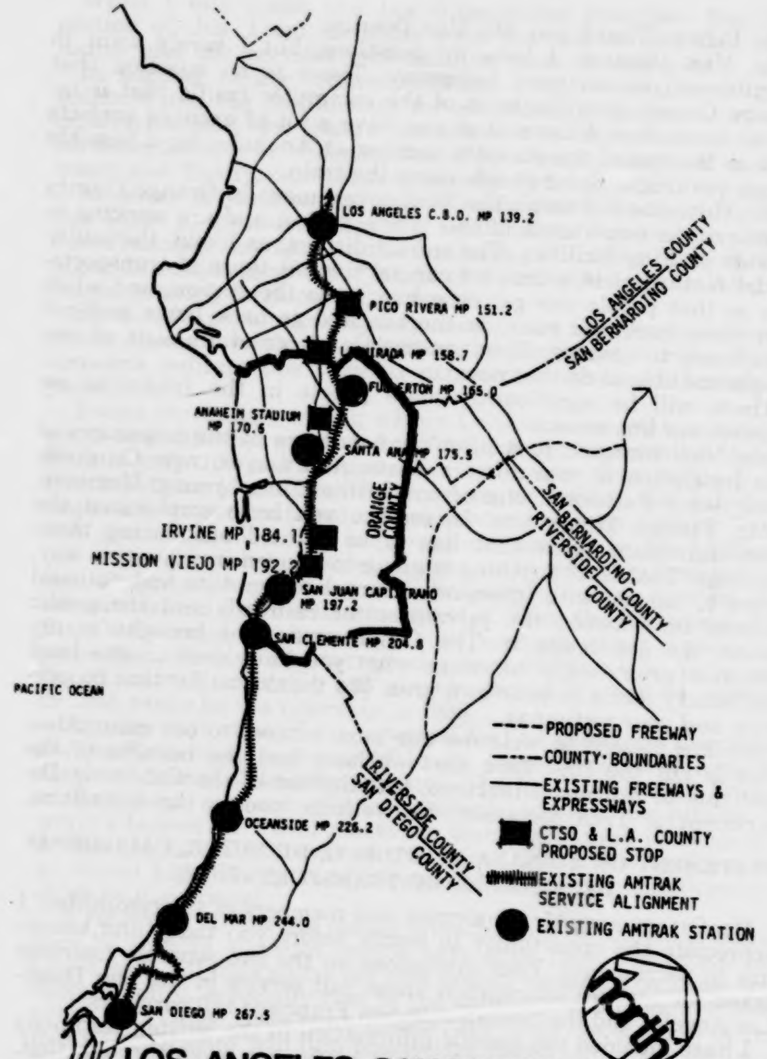
e. Mission Viejo -- This is also a new station which will serve a developing residential area of over 200,000 population along with other commercial and educational facilities. The developer is dedicating the land and the project has also been submitted for State funding. This project is ranked number 3 by the OCTC.

f. San Juan Capistrano -- This is an existing station and a transportation center development project has been approved by the State legislature. The expansion of the station for parking and bus interface will be accomplished through the State funds and City funds as part of redevelopment of the area between the station and the Mission.

8. San Clemente -- This is an existing station with its condition not conducive to encouraging ridership or bus interface. The OCTC has just approved the expenditure of $20,000 to conduct with the City and OCTD a feasibility study related to the merits of a proposed station relocation or extensive rebuilding of the existing station.

The seven stations appear to be the minimum number to respond to the potential demand in the corridor. These stations will have major benefits to the rider only if the mainline capital improvements are done in order to provide faster travel times and more frequent service. The OCTC is aware of the concerns that seven stations in Orange County may have related to obtaining a reduced travel time between Los Angeles and San Diego. The planning of these stations takes into account skip-stopping and other operational techniques to minimize the travel times which will encourage ridership.

I would like to thank the Subcommittee for allowing me to present Orange County's views on the consideration of an upgrading project on the Southwest corridor. We would encourage the federal government to look favorably on financially participating with the local and state agencies in the capital investment needs of this corridor.



LOS ANGELES-SAN DIEGO INTER-CITY RAIL SYSTEM

LOS ANGELES C.B.D. MP 139.2
PICO RIVERA MP 151.2
LA MIRADA MP 158.7
FULLERTON MP 165.0
ANAHEIM STADIUM MP 170.6
SANTA ANA MP 175.5
IRVINE MP 184.1
MISSION VIEJO MP 192.2
SAN JUAN CAPISTRANO MP 197.2
SAN CLEMENTE MP 204.8
OCEANSIDE MP 226.2
DEL MAR MP 244.0
SAN DIEGO MP 267.5
LOS ANGELES COUNTY
SAN BERNARDINO COUNTY
ORANGE COUNTY
SAN BERNARDINO COUNTY
RIVERSIDE COUNTY
RIVERSIDE COUNTY
SAN DIEGO COUNTY
PACIFIC OCEAN
MEXICO
PROPOSED FREEWAY
COUNTY BOUNDARIES
EXISTING FREEWAYS & EXPRESSWAYS
CTSO & L.A. COUNTY PROPOSED STOP
EXISTING AMTRAK SERVICE ALIGNMENT
EXISTING AMTRAK STATION
north
0 MILES 16
scale

Mr. **Florio**. Thank you. Mr. Van Deerlin.

Mr. **Van Deerlin**. I have no questions, but I surely want to compliment you on your testimony. There is no question that Orange County provides most of the commuter traffic that is involved here. And, I know that you have a lot of exciting projects such as the use of the stadium parking at Anaheim for a possible fringe, parking area for people using the train.

Mr. **Hollinden**. I think the local government in Orange County perceives the importance of this whole project and are working to provide parking facilities. The transit district, as I said, the multimodal feature of this that we can involve all types of transportation so that people can get on a bus, go to the station, and when they come back, get back on the bus and go back home and not even have to involve their automobile. A great number of our people are able to do that now.

There will be significantly more people in the future as we improve our bus service.

Mr. **Van Deerlin**. It is significant that one of the cosponsors of this legislation is your former Santa Ana mayor, now Congressman, Jerry Patterson, one of our brilliant new young Members.

Mr. **Florio**. Thank you. In essence you have emphasized the most significant point that has to be pointed out during these hearings. That is, if anything is going to happen in a positive way, it has to happen with intergovernmental cooperation and national cooperation between the private sector railroads and the public sector. We appreciate it. The Congressman has brought to my attention prior to the meetings what you have done in the local and county levels in your own area. We thank you for that cooperation and your testimony.

We are pleased to welcome our next witness to our committee. This is not the first time that we have had the benefits of the thoughts of Adriana Gianturco, the director of the California Department of Transportation. We welcome you to the committee.

STATEMENT OF ADRIANA GIANTURCO, DIRECTOR, CALIFORNIA DEPARTMENT OF TRANSPORTATION

Ms. **Gianturco**. Mr. Chairman and members of the committee, I appreciate the opportunity to testify before you today and tomorrow in Sacramento. Your invitations on the two separate hearings asked for specific information about rail service in the San Diego-Los Angeles and the Sacramento-San Francisco rail corridors.

I have included the specific information in the written testimony that I am submitting, and I would prefer not to go through that.

What I would like to do in my oral remarks today is talk about a broader subject, and that is, to encourage a Federal commitment in partnership with the State of California to the development of a California rail corridor between San Diego and Sacramento. This 500-mile-long corridor is composed of three segments: Segment 1 is the one you are specifically focusing on here, which is San Diego to Los Angeles. Segment 2 is from Los Angeles to the San Francisco Bay Area; and segment 3 is from the San Francisco Bay Area to Sacramento.

When I talk about the Los Angeles-San Francisco Bay Area portion of this, I am including both the coastal and the inland routes and the services and facilities that go along with them.

In support of my recommendation, I will cover the following points: First, the justification for establishing the corridor in its entirety; second, the State's commitment to improvements in the corridor; third, a brief description of how we see stages of development; and, finally, recommendations for Federal action.

In terms of justification, the 500-mile corridor stretching from San Diego in the southern part of California to Sacramento and the San Francisco Bay Area in the northern part of the State includes about 20 million people and is one of the most heavily traveled and fastest growing corridors in the country.

Since 1960, population has increased in the California corridor at a rate almost four times as great as the Northeast corridor. Recent forecasts indicate this trend is expected to continue through the year 2000.

Trains currently running within California, or with a terminal point in California, generated 953 million passenger miles in 1977. This is only 108 million passenger miles less than trains in the Northeast corridor. If service were to be further developed and improved, we are confident ridership would be even higher.

A good indication that improved rail service in the California corridor will result in dramatic increases in ridership is seen in the San Diego-Los Angeles segment. Senator Mills has already mentioned this and I would like to repeat it: Since the beginning of the State's financial involvement in this segment about 3 years ago, passenger ridership has increased almost 300 percent. As he mentioned, current ridership has already exceeded what we projected in 1976 would be the ridership in 1995.

Another indication of the potential for rail passenger ridership is the problem being experienced in air travel because of high fuel costs and recent airline deregulation. The Los Angeles-San Francisco Bay Area segment of the California corridor constitutes the world's largest air travel market in terms of annual passengers. It is also the intercity travel corridor most vulnerable to disruption by recent high energy costs because of the relative inefficiency of short-haul air travel.

A reflection of how the energy situation has affected this market may be seen in air fares, which have gone from $30 to $50 in a single year. All indications are that energy costs will continue their upward spiral, especially now in the deregulated air market where prices will follow costs more closely. We think, as a result of this, many Californians will find themselves priced out of the air travel market or unable to obtain services. We have already seen this happening in the Los Angeles-San Diego segment.

As Senator Mills mentioned earlier, recently an airline spokesman was quoted as saying, "The climb to altitude eats fuel and 20 minute hops are murder. We could run every flight to LAX at 110 percent capacity and lose money."

Air carriers have already substantially cut their San Diego-Los Angeles service.

The cost of auto travel has also increased significantly, as you know. The most recent Hertz survey states that the total cost of automobile operation is 38 cents per mile. At this rate, the cost of a 500-mile trip by automobile would be $190, which is significantly higher than the rail fare, which is around $44.

The conservation of energy must obviously be a major consideration in developing transportation alternatives. The energy consumption of intercity trains using Amfleet or other modern equipment, is reasonably low. The Los Angeles-San Diego trains have been producing, in actual fact, about 100 passenger miles per gallon, as compared with an auto's four passenger miles per gallon or short-haul air service's 30 passenger miles per gallon.

Finally, the 500-mile length of the California corridor is not extreme and the fact that it has three segments is not unusual. Japan's Tokyo-Hokata bullet train route is 730 miles long; the Northeast corridor is approximately 500 miles. The Northeast corridor also has several segments which carry heavy traffic, and the importance of a continuous route linking the various segments has been well established. For example, the high ridership on the New York-Philadelphia segment is partially due to the continuous service along the entire Northeast corridor.

Now I would like to comment on California's commitment to passenger rail service, which I believe should be a critical factor in stimulating Federal involvement and commitment.

The State is not merely thinking about a commitment to improving intercity rail service; the State has also made a commitment, in legislation and in providing dollars, to back up that legislation.

Prior to June 1979, State legislation had provided over $13 million for rail service improvements in both the San Diego-Los Angeles segment and the Sacramento-San Jose segment. In response to legislation and administration direction, the department has completed several studies on corridor improvements, which we have put together for submission to the legislature later this month, including the San Diego-Los Angeles rail passenger engineering feasibility study, the San Francisco Bay Area-Sacramento-Stockton corridor study, the Caltrans program of intercity rail service and the draft rail passenger development plan.

In 1979 the Governor signed senate bill 620 which appropriated $37 million for capital and operating funds for passenger rail services over the next 3 years to implement the recommendations of these studies and plans.

California is one of only six States with 403(b) service. Currently, under 403(b) we provide service in the San Diego-Los Angeles segment—the San Diegan—and in the Los Angeles-Bay Area segment—the San Joaquin.

We have requested initiation of the following new 403(b) services in the California corridor: A Sacramento-Oakland-Los Angeles overnight train; extension of the two Oakland-Bakersfield trains to Los Angeles; and an additional Los Angeles-San Diego train. In addition, we have asked Amtrak to operate and fully fund an eighth daily train in the San Diego-Los Angeles segment of the corridor.

In Governor Brown's state of the State report just last week he reiterated his administration's continued and increasing commitment to improving intercity rail service.

It is very apparent then that California has established a commitment both legislatively and administratively in planning, funding, and implementing improved rail service. I don't believe any State in the country has surpassed our record in this regard, and it is one that speaks for itself.

I would like to conclude by outlining the staging and development of the California corridor as we see it.

The first stage is the most important, but is the least expensive. The energy picture is changing so rapidly that while we do emphatically support the proposals for long-range capital improvement programs, we must also implore you to consider what actions you can take to get more trains running in the California corridor within the next year or two.

The first stage of the program should start immediately and be implemented within a 3-year period to include the following elements:

First, major capital improvements on the San Diego-Los Angeles segment to reduce traveltime 27 minutes, at a cost of $70 million; provide safety and operational improvements, at a cost of $35 million; and improve stations, at a cost of $39 million. We have spelled out exactly what improvements in stations and improvements in one of the reports that I am submitting as backup to this testimony.

Second, station improvements in the remaining two segments of the California corridor, at a cost of approximately $20 million.

Third, major capital improvements on the San Franciso Bay Area-Sacramento segment, to reduce traveltime 15 minutes, at a cost of $36 million.

Fourth, increased train frequencies in the entire corridor to the following levels: Eight trains daily, each way, between Los Angeles-San Diego; four trains daily, each way, between Los Angeles-San Francisco Bay Area; and five trains daily, each way, between San Francisco Bay Area-Sacramento.

The second stage of the program should be implemented by 1990 and include:

First, major capital improvements on the remainder of the corridor, to provide improved track standards allowing 110-miles-per-hour top speed on straight track outside of urbanized areas, at a cost of about $1 billion. More specifically, this stage should include a project to tunnel under the mountains between Bakersfield and Los Angeles, to provide for high speed rail operation between these two cities.

Second, further increases in train frequencies in segments of the corridor consistent with increasing demand.

In summary, I urge a Federal commitment for $200 million for the stage I improvements and $1 billion for the stage II improvements. The level of funding for stage III should be comparable to the funds provided for the Northeast corridor consistent with increasing demand.

I'd like to conclude by pointing out that $1 invested now on the west coast buys much more rail service improvement than the same dollar would on the Northeast corridor.

More specifically, 42 minutes can be saved from scheduling in the California corridor by spending $200 million in capital improvements. This translates into an average cost of less than $5 million for every minute saved. In contrast, approximately $2.5 billion will be spent in the Northeast corridor for an average time savings of 60 minutes. This is equivalent to approximately $40 million for each minute saved, more than eight times the per minute cost on the west coast.

I urge you to move forward with this most important project. The scope and the dollars may seem large, but I think the Federal Government needs to make an investment in rail, just as it has in the past made an investment in highways. From 1965 to 1975, the heyday of freeways and interstate highway construction, nearly $5 billion of Federal money was spent on roads in California, matched, of course, by State moneys.

The State of California is prepared, in partnership with the Federal Government, to embark on a rail program for the 1980's and beyond that will bring our transportation system in line with the energy and other realities of the future.

Thank you very much. I have attached, in written form, specific answers to your technical questions which I am submitting for the record.

I would be happy to answer any questions you may have.

[Testimony resumes on p. 38.]

[The material referred to follows:]

SPECIFIC INFORMATION RELATING TO THE SAN DIEGO-LOS ANGELES SEGMENT OF THE CALIFORNIA CORRIDOR

BEFORE I ADDRESS YOUR SPECIFIC QUESTIONS ABOUT THE LOS ANGELES TO SAN DIEGO SEGMENT OF THE CALIFORNIA CORRIDOR, I WANT TO GIVE YOU SOME BACKGROUND OF THE RAIL SERVICE AND THE STATE'S INVOLVEMENT IN THIS SEGMENT.

THIS SEGMENT OF THE CORRIDOR HAS RECEIVED A SUBSTANTIAL AMOUNT OF STUDY. THE FIRST MAJOR STUDY, THE SAN DIEGO-LOS ANGELES CORRIDOR STUDY, WAS COMPLETED IN DECEMBER 1976 AT THE REQUEST OF THE CALIFORNIA LEGISLATURE. THIS MULTIMODAL STUDY WAS CONDUCTED BY BARTON-ASCHMAN ASSOCIATES, INC., AND PEAT, MARWICK, MITCHELL AND COMPANY, UNDER THE DIRECTION OF THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS), THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG), AND THE COMPREHENSIVE PLANNING ORGANIZATION OF THE SAN DIEGO REGION (CPO). THE TWO-YEAR STUDY ADDRESSED KEY TRANSPORTATION POLICY ISSUES AS WELL AS A BROAD RANGE OF TECHNICAL ALTERNATIVES FOR ALL MODES. I HAVE A COPY OF THE STUDY TO SUBMIT TO YOU TODAY. IT RECOMMENDS A SERIES OF SHORT-RANGE (1976-1980) AND MEDIUM-RANGE (1981-1985) INTERCITY RAIL IMPROVEMENTS AND INCLUDES AN ENGINEERING FEASIBILITY ANALYSIS FOR RAIL PASSENGER SERVICE. THIS STUDY RESULTED IN STATE LEGISLATION CHAPTER 1349, SB 1879 - 1976), WHICH APPROPRIATED STATE FUNDS FOR THE OPERATION OF RAIL SERVICE AND CAPITAL IMPROVEMENTS IN THE CORRIDOR. CALTRANS NOW FINANCIALLY SUPPORTS, THROUGH AN AMTRAK

403(B) AGREEMENT, THREE OF THE CURRENT SIX SAN DIEGANS. WE HAVE ALSO PREPARED A CONTRACT WITH AMTRAK TO JOINTLY FUND BASIC IMPROVEMENTS TO SEVERAL OF THE STATIONS IN THE CORRIDOR. I AM SUBMITTING TO YOU COPIES OF THE STATION IMPROVEMENT PROJECT REPORTS WHICH COVER THIS SUBJECT. WE HAVE ATTEMPTED TO HAVE THE SANTA FE RAILWAY USE STATE FUNDS TO IMPROVE THEIR TRACKS, BUT HAVE BEEN UNSUCCESSFUL THUS FAR BECAUSE OF SANTA FE'S CONCERN ABOUT OWNERSHIP OF THE RESULTING IMPROVEMENTS. CALTRANS HAS ALSO APPEARED AT HEARINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION IN OPPOSITION TO THE IMPOSITION OF PRESENT SPEED RESTRICTIONS IN SAN CLEMENTE AND LA MIRADA.

WE HAVE ALSO CONDUCTED TWO EXTENSIVE ON BOARD SURVEYS OF THIS RAIL PASSENGER SERVICE AS PART OF OUR MARKETING SUPPORT. I WOULD LIKE TO SUBMIT A COPY OF ONE OF THESE SURVEY REPORTS FOR YOUR INFORMATION AND USE. AS DOCUMENTED IN THIS REPORT, THERE IS STRONG SUPPORT AND USER SATISFACTION ASSOCIATED WITH THIS SERVICE. WE REALIZE THAT IMPROVEMENTS TO THE EXISTING SERVICE ARE NEEDED AND WE ARE WORKING WITH AMTRAK TOWARD THAT GOAL, BUT IT IS ALSO OBVIOUS TO US THAT ADDED SERVICES ARE MANDATORY IF WE ARE TO KEEP ABREAST OF THE RISING DEMAND. IN RESPONSE TO THIS, WE REQUESTED THAT AMTRAK OPERATE A SEVENTH SAN DIEGAN UNDER 403(B) AND AN EIGHT TRAIN AS PART OF THE BASIC SYSTEM. HOWEVER, SANTA FE HAS REJECTED THE REQUEST FOR IMPLEMENTING THE SEVENTH TRAIN. LAST MONTH, WE ASKED AMTRAK TO ATTEMPT TO DISSUADE SANTA FE FROM THEIR POSITION. LATER THIS WEEK, CALTRANS AND AMTRAK ENGINEERS WILL BE INSPECTING THE SANTA FE FACILITIES TO IDENTIFY OPERATIONAL PROBLEMS AND DETERMINE WHAT MEASURES CAN BE TAKEN TO MITIGATE

POTENTIAL FREIGHT INTERFERENCE. WE SINCERELY HOPE THAT THE RAILROAD AND AMTRAK CAN RESOLVE ANY PROBLEMS AND WE CAN ADD SERVICE.

THAT BRINGS US UP TO DATE ON THE HISTORY OF OUR INVOLVEMENT IN THE CORRIDOR.

NOW, TO ADDRESS YOUR SPECIFIC QUESTIONS:

1. "DESCRIBE THE ENGINEERING PROJECTS, INCLUDING ESTIMATED COSTS, THAT WOULD BE NECESSARY TO ACHIEVE A 30-MINUTE REDUCTION IN TRAVEL TIME IN THE LOS ANGELES-SAN DIEGO CORRIDOR."

IN RESPONSE, I REFER YOU TO THE SAN DIEGO-LOS ANGELES RAIL PASSENGER SERVICE ENGINEERING FEASIBILITY STUDY I SUBMITTED EARLIER. I WILL ALSO GIVE YOU A COPY OF A WORKING PAPER MY STAFF DEVELOPED WHICH LISTS POTENTIAL CAPITAL IMPROVEMENT PROJECTS IN THE CORRIDOR AND THE ESTIMATED TIME SAVINGS WHICH WOULD RESULT FROM THE IMPROVEMENTS.

THESE PROJECTS INCLUDE CURVE REALIGNMENTS, EXTENSION OF SIDINGS, INSTALLATION OF DOUBLE TRACK, AND CONSTRUCTION OF A TUNNEL. WE ESTIMATE MORE THAN 27 MINUTES CAN BE REDUCED FROM THE CURRENT SCHEDULE, AT A COST OF ABOUT $70 MILLION IN 1979 DOLLARS.

WE ARE GREATLY CONCERNED ABOUT THE PROPOSED FEDERAL RAILROAD ADMINISTRATION TRACK STANDARD CHANGES AS PRESENTED IN THE SEPTEMBER 6, 1979 FEDERAL REGISTER. IF IMPLEMENTED, THESE STANDARDS

WOULD DICTATE A 32-MINUTE INCREASE IN THE PRESENT RUNNING TIME OF THE SAN DIEGANS. ALTHOUGH THE CHANGES ARE PROMOTED IN THE NAME OF SAFETY, WHICH WE ENDORSE, WE SEE NO JUSTIFICATION FOR THEIR IMPOSITION FOR PASSENGER TRAIN SERVICE. IF IMPLEMENTED, THE NEW STANDARDS WOULD REQUIRE GREATLY INCREASED FUNDING COMMITMENTS TO RESULT IN IMPROVED SCHEDULES.

I WILL REFER TO THE LOS ANGELES-SAN DIEGO CORRIDOR STUDY IN RESPONDING TO YOUR SECOND QUESTION:

> 2. "ESTIMATE THE POTENTIAL RIDERSHIP AND ENERGY SAVINGS IN THE LOS ANGELES-SAN DIEGO CORRIDOR, ASSUMING AN OPTIMUM LEVEL OF UPGRADING AND VARIOUS ENERGY SCENARIOS, AND OTHER BENEFITS FROM IMPROVED SERVICE."

THE CORRIDOR STUDY ESTIMATED RIDERSHIP FOR VARYING LEVELS OF SERVICE (NUMBER OF TRAINS, TRACK UPGRADING, SPEED, ETC.). IT IS IMPORTANT TO NOTE THAT THE CURRENT SAN DIEGAN RIDERSHIP OF ABOUT 3,000 PER DAY HAS EXCEEDED THE 1995 PROJECTED RIDERSHIP FROM THE CORRIDOR STUDY. IT IS LIKELY THAT WITH IMPROVED TRAIN FREQUENCIES, AND REDUCED TRAVEL TIME, RIDERSHIP WILL MORE THAN DOUBLE IN THE NEXT THREE YEARS. THE CORRIDOR STUDY ALSO INDICATES THE POSITIVE IMPACTS OF IMPROVED RAIL SERVICE ON REDUCED AIR POLLUTION, ENERGY CONSUMPTION AND HIGHWAY CONGESTION.

I AM ALSO SUBMITTING A DRAFT OF A REPORT WE ARE NOW COMPLETING ON AN ANALYSIS OF THE SAN DIEGO-LOS ANGELES RAIL PASSENGER SERVICE. THE REPORT CONTAINS RIDERSHIP AND FINANCIAL DATA FOR THE SAN DIEGANS. THE STATE COST FOR THE THREE 403(B) TRAINS IN AUGUST 1979 WAS

$35,900 OR AN AVERAGE OF $0.60 PER PASSENGER OR ABOUT $0.007 PER PASSENGER MILE. CALTRANS HAS CONTRACTED WITH STANFORD RESEARCH INSTITUTE TO PERFORM AN EVALUATION OF THE ENERGY USE BY RAIL TRANSIT IN THE CORRIDOR. WORK ON THIS PROJECT IS EXPECTED TO GET UNDER WAY IN FEBRUARY SO WE ARE NOT PRESENTLY ABLE TO REPORT DEFINITIVE INFORMATION ON THIS TIMELY SUBJECT. HOWEVER, THE REPORT DOES DISCUSS OTHER ENVIRONMENTAL ASPECTS OF THE SERVICE.

I WILL ANSWER QUESTIONS 3 AND 4 TOGETHER SINCE THEY ARE CLOSELY RELATED:

> 3. "WHAT WOULD BE THE MOST APPROPRIATE ROLE FOR CALTRANS IN A PUBLICLY FUNDED LOS ANGELES-SAN DIEGO CORRIDOR UPGRADING PROJECT, AND WHAT FINANCIAL CONTRIBUTIONS SHOULD STATE AND LOCAL GOVERNMENTS MAKE TO SUCH A PROJECT?"
>
> 4. "ABSENT FEDERAL FUNDING, WHAT ACTIONS WOULD CALIFORNIA INITIATE CONCERNING RAIL PASSENGER SERVICE BETWEEN LOS ANGELES AND SAN DIEGO? WHAT OTHER MAJOR TRANSPORTATION IMPROVEMENTS ARE PLANNED FOR THIS CORRIDOR, E.G., HIGHWAY IMPROVEMENTS?"

STATE LEGISLATION REFERENCED AS SB 620, REQUIRED THE DEPARTMENT TO SUBMIT A RAIL PASSENGER DEVELOPMENT PLAN OUTLINING THE DEPARTMENT'S FINANCIAL PLANS FOR PASSENGER RAIL SERVICE IN CALIFORNIA. I AM SUBMITTING A DRAFT COPY OF THAT REPORT FOR YOUR INFORMATION. THE REPORT COVERS OUR PROPOSED SERVICE IN THE

SAN DIEGAN CORRIDOR AS WELL AS THROUGHOUT THE STATE. THERE IS NO DOUBT THAT CALIFORNIA IS COMMITTED TO IMPROVING RAIL PASSENGER SERVICE FOR CALIFORNIA CITIZENS. OUR CURRENT FINANCIAL SUPPORT (BOTH OPERATING AND CAPITAL) IN THE SAN DIEGO-LOS ANGELES CORRIDOR AND IN BETWEEN SAN FRANCISCO AND SAN JOAQUIN VALLEY IS ONLY ONE INDICATION OF THAT COMMITMENT. OUR PROPOSALS AND STUDIES FOR ACQUISITION OF THE LOS ANGELES UNION STATION AND POSSIBLE IMPLEMENTATION OF COMMUTER RAIL SERVICE IN THE LOS ANGELES-OXNARD, LOS ANGELES-SAN BERNARDINO-RIVERSIDE AREA, AND LOS ANGELES-ORANGE COUNTY CORRIDORS ARE OTHER EXAMPLES OF OUR COMMITMENT. OUR SUPPORT FOR AMTRAK INTERCITY SERVICE VIA THE DESERT WIND, SUNSET, SAN FRANCISCO ZEPHYR, SOUTHWEST LIMITED, AND COAST STARLIGHT AS PART OF A CALIFORNIA RAIL PASSENGER SYSTEM, IS FURTHER INDICATION OF OUR BELIEF THAT IMPROVED CORRIDOR SERVICE WILL BENEFIT OTHER RAIL SERVICES AND VICE VERSA.

CALTRANS INTENDS TO TAKE A STRONGER ROLE IN THE MANAGEMENT AND OPERATIONS OF RAIL PASSENGER SERVICE. WE WILL INTENSIFY OUR SERVICE MONITORING ACTIVITIES AND CONTINUE OUR ALREADY EXTENSIVE MARKETING EFFORTS. WE BELIEVE THE IMPROVED FINANCIAL PERFORMANCE OF THE SAN DIEGAN IS, AT LEAST PARTIALLY, A DIRECT RESULT OF OUR PAST FINANCIAL AND STAFF SUPPORT; AND WE ANTICIPATE CONTINUED STATE SUPPORT.

WITH THE EXCEPTION OF MINOR OPERATIONAL PROJECTS, THERE ARE NO HIGHWAY IMPROVEMENTS PLANNED IN THIS CORRIDOR SEGMENT IN OUR FIVE-YEAR PLANNING PROGRAM. IN FACT, WE HAVE DATA WHICH INDICATE THE AIR SERVICE IN THE SEGMENT IS DECLINING AS THE AIRLINES

CONCENTRATE THEIR EQUIPMENT ON LONG-HAUL ROUTES, AND WE ARE CONFIDENT THAT SIGNIFICANT INCREASES IN HIGHWAY CAPACITY ARE IMPOSSIBLE, AND EVEN IF POSSIBLE, WE WOULD NOT SUPPORT SUCH ACTION WHICH WOULD TEND TO DEGRADE THE ENVIRONMENT AND ENCOURAGE ADDITIONAL ENERGY USE.

IN CONCLUSION, I LOOK FORWARD TO REVIEWING THE INFORMATION DEVELOPED BY THE FEDERAL RAILROAD ADMINISTRATION AT YOUR REQUEST. MY STAFF HAS FURNISHED THE FRA ALL OF THE INFORMATION WE HAVE AVAILABLE BUT HAVE NOT YET RECEIVED ANY FEEDBACK FROM THEM, SO WE HAVE NO INKLING OF THEIR PROPOSED RECOMMENDATIONS. I AM CONVINCED THIS CORRIDOR SEGMENT HAS BEEN ADEQUATELY STUDIED AND IT'S TIME FOR ACTION. THE PERFORMANCE OF THE EXISTING SERVICE HAS FAR SURPASSED OUR EXPECTATIONS AND, TO ME, IS AMPLE JUSTIFICATION FOR MOVING AHEAD WITH A PROGRAM TO PROVIDE HIGH-SPEED RAIL PASSENGER SERVICE. THERE IS A NEED FOR FUNDS FOR BOTH CAPITAL AND OPERATIONAL IMPROVEMENTS. CAPITAL IMPROVEMENTS SHOULD INCLUDE NOT ONLY PROJECTS TO REDUCE THE TRAVEL TIME, BUT ALSO PROJECTS, SUCH AS NEW STATIONS, TO BETTER SERVE THE PEOPLE. EXPANDED SERVICE WILL EXACERBATE THE EXISTING MAINTENANCE AND OPERATIONAL PROBLEMS. THE OTHER AMTRAK SERVICES AND THE PROPOSED COMMUTER RAIL SERVICES COULD COMBINE WITH EXPANDED SERVICE TO CREATE SERIOUS OPERATING PROBLEMS. FUNDS SHOULD BE AVAILABLE TO HELP CORRECT THESE PROBLEMS.

THIS COMPLETES MY TESTIMONY ON THE TECHNICAL QUESTIONS. IF YOU HAVE ANY QUESTIONS, I WILL BE HAPPY TO ADDRESS THEM.

THANK YOU.

Mr. Florio. Thank you. Let me just note for the record that this committee and, I believe, the Congress, is aware of the commitment California has made, being one of the foremost States in terms of making commitments to rail passenger service. You are to be commended for that.

Mr. Van Deerlin?

Mr. Van Deerlin. What do you see as the ultimate in reduced time between San Francisco and Los Angeles? How much can be taken off that run if we really concentrated on it?

Ms. Gianturco. Well, of course, we are talking about two different routes. One is the inland route and one the coastal route. The coastal route has a lot of slack in the schedule right now. Some rescheduling could cut the time down assuming the trains would not be diverted by freight trains and so on.

The inland route—we think that we could cut down substantially on time—I can't give you a specific minute savings. I believe the trip now is—help me out, Wally—how long would it take now with the current track to go on the San Joaquin route extended to Los Angeles?

Voice. Five hours and forty-five minutes on the existing route.

Ms. Gianturco. And we think that would come down substantially. We have recently done a survey of the track situation there. We would be happy to provide more specific information if you would like to have it.

Mr. Van Deerlin. So it can be made reasonably good?

Ms. Gianturco. Yes.

Mr. Van Deerlin. Caltrans is taking steps, is it not, to acquire the old Union Station in Los Angeles?

Ms. Gianturco. Well, it is a very complex project; but I guess, the answer to your question, is yes. We have a number of different entities involved, and there are several parts to the project, including not only the depot itself but also a 44-acre property that is also owned by the same consortium of railroad operators; and we are moving forward with acquisitions. All the pieces are not in place, but we have a funding package and we expect that the property will be turned into a multimodal center.

The existing station will probably be redeveloped for commercial purposes in keeping with its historic character, and a new station constructed on that same 44 acres that would serve both intercity trains and would be a terminal point for local trains it services.

There is State money available for that. We have already appropriated about $15.9 million, which would cover a portion of this project, in conjunction with the Downtown People Mover, one of the local transportation projects.

Mr. Van Deerlin. Thank you.

Mr. Florio. May I ask if the State is considering participating in the recently passed 403(b) capital program?

Ms. Gianturco. I guess the answer is "Yes." But I can't give you all the details.

One thing that we thought about right off the bat was putting in an automatic switching device, a signal on the San Joaquin route; and when we looked into it, it looked as though it wasn't cost effective. So I don't think we will be doing that. But I assume we are also looking at other improvements.

Mr. Florio. In your testimony you stated that you have recently estimated it would cost $70 million to upgrade the Los Angeles to San Diego corridor to achieve a 27½-minute reduction. A comparable study by DOT has indicated that it would probably cost $10 million to $12 million. Even by Washington's standards, there is a big difference.

Can you perhaps give us some indication of what you think the reason for this divergence of estimates would be?

Ms. Gianturco. No, because I haven't seen the Washington study. We have done a number of studies in that corridor. The specific study where this $70 million figure came from was done sort of quick and dirty, and maybe we have overestimated. If we have, I would be delighted. We would like to take a look at that Federal study and compare them. Is that the FRA?

Mr. Van Deerlin. The DOT. We will make sure you get a copy.

California is one of the few States, one of about 16 States, that doesn't provide any tax relief to Amtrak. Amtrak currently pays $400,000 a year in taxes to California. You can appreciate the argument that could be made that money could be used in California to provide more passenger services.

Is there any consideration being given to modifications in the law with regard to tax relief for railroads?

Ms. Gianturco. I believe—I would have to check—but I believe we had proposed legislation last year—we are in a 2-year legislative session—that would handle that problem. But I would note that even with that payment, on balance we are still putting a lot more money in than we are taking out. We make very substantial contributions to 403(b) in this State, plus we do a lot of associated things, such as the station improvement program and so on, which has added a lot of money to the overall rail system.

Mr. Van Deerlin. One of the other points, which is not unique to California but California has a problem with, is in regard to improved service, and that was made reference to this morning by the senator who testified, and that problem is the prevalence of local ordinances. Some States have discussed the preemption in the field, so to speak, of the State legislation to preempt local ordinances.

Ms. Gianturco. That has been done here. There was legislation passed that said that the State public utilities commission had to make a specific finding in order to impose these local speed restrictions could be imposed. To my knowledge, there are only two problems remaining in the Los Angeles-San Diego corridor now, given that legislation, and that is La Mirada and San Clemente, I believe. In both instances we have petitioned the State PUC to review those ordinances, and those decisions haven't been received yet; but that problem is, I think, pretty well under control. It is still somewhat of a problem, but we have a handle on it.

Mr. Van Deerlin. Amtrak's systemwide goal is to have revenues cover 50 percent of operating costs in their operations. Do you think it would be an appropriate limitation on Federal revenues or Federal participation programs that no new programs be initiated if there isn't a reasonable projection that by 1985—which is what Amtrak is shooting for—that a program in fact bring about that revenue-cost relationship?

Ms. GIANTURCO. Well, I would have to think about that before giving you a definitive answer; but off the top of my head I don't think that would hurt us. We are covering 80 percent of the costs of Los Angeles-San Diego, and we are paying for those trains, the State is paying, so I think if such legislation were passed, it ought to say that once a certain point is reached, 403(b) will no longer be required. It cuts both ways.

What is happening now is that we are getting a very high proportion of cost covered by revenues, but we are having to support the trains ourselves.

Mr. FLORIO. What you are saying is, the fact that passenger revenue doesn't cover the 50 percent cutoff point, but in fact a non-Federal source, whether it be passengers or States——

Ms. GIANTURCO. Well, I wasn't saying that. I was saying if the passenger revenue goes up above 50 percent—the passenger revenue alone goes above 50 percent or is at some point higher than 50 percent, say 60 percent, then I think at that point maybe we ought to say that 403(b) service is no longer going to be required and will be made a part of the basic system.

The sitaution we have now is that we have very profitable trains running which are supported 50 percent by the State of California, the deficit between revenues and costs, and that strikes me as somewhat unjust; although, on the other hand, I would say that having us participate in that corridor has given us a certain leverage over the service that we like to think may be part of the reason why it is so successful.

Mr. FLORIO. Thank you very much.

Our next witness is Mr. William Stage, the director of operations and programs, Greyhound Lines.

STATEMENT OF WILLIAM G. STAGE, DIRECTOR OF OPERATIONS PROGRAMS, GREYHOUND LINES, INC.

Mr. STAGE. Thank you, Mr. Chairman.

Good morning, Mr. Chairman and Congressman Van Deerlin and members of the public. My name is William G. Stage, and I am director of operations/programs for Greyhound Lines, Inc., located in Phoenix, Ariz. In that capacity I have lead responsibility in the development and planning of transportation programs for Greyhound.

I am here today to indicate Greyhound's position on H.R. 5403, the Southwest corridor proposal before Congress at this time.

Greyhound Lines, Inc., is the largest provider of public transportation in the Nation. Almost 50 million passengers utilized our services last year, and during this current year we have carried even more passengers.

The intercity bus industry as a total has carried more passengers this year than Amtrak and the air lines combined.

Greyhound has extensive service in the San Diego-Los Angeles corridor currently. This is operated, I might remind you, by private enterprise. We are a taxpaying entity. We offer 35 round trips a day; almost every 35 minutes thoughout the day, every day of the year, we have a bus leaving both San Diego and Los Angeles.

I might direct your attention to my statement, which was prepared for this hearing. On page 1 I summarize basically what the bill before Congress authorizes Amtrak to carry forward at this time. It concludes by authorizing $5 million to complete a study on the rail corridor that is in question here, and further authorizes any funds necessary to carry out the development of these improvements. In effect, it is a blank check in terms of authorizing funds for the service improvements in this corridor.

Greyhound interprets this bill as the tip of an iceberg in relation to expansion of Amtrak's taxpayer-subsidized services in other corridors throughout the Nation. The bill has the potential of becoming the beginning of the end for the intercity bus industry.

It is a well recognized fact that cross subsidies exist in the bus industry. The profitable corridors such as Los Angeles-San Diego, Washington-New York-Boston, Chicago-Cincinnati, Chicago-St. Louis, Los Angeles-Las Vegas, and Portland-Seattle, to name a few, support the remainder of the system.

For Greyhound Lines, Inc., 40 percent of the system not only subsidizes the remaining 60 percent but also permits our operations to be profitable and to pay taxes. If Amtrak is permitted to expand heavily subsidized operations in our profitable corridors, it will not only affect service in these corridors but will also drastically reduce or eliminate service to many of the over 14,000 communities faithfully served only by the intercity bus industry.

I would also like to challenge Senator Mills' statement to the effect that intercity bus receives substantial operating subsidies. To my knowledge, we receive no operating subsidies and, in fact, studies done by the Department of Transportation indicate that the intercity bus industry pays 25 percent greater than their actual usage of any highway system throughout the United States. So, in fact, we are paying more than our fair share at this time in terms of operating, and we are paying it through the farebox; we are not paying it with any type of subsidy from the Federal Government nor the State nor local governments.

On page 4, I begin with a summary of the intercity bus industry. I would just like to briefly comment on some of these points:

There are currently 1,100 companies operating over 20,000 buses, 278,000 scheduled miles of routes in the United States. In 1978 we carried 335 million passengers, more than Amtrak and the air lines combined. We served over 15,000 communities, 14,000 of which have no other form of transportation.

On appendix I—if I might direct your attention to that appendix at this time—there are several summaries there that compare bus, Amtrak, Greyhound, and air in terms of the number of communities served, passengers carried, Federal subsidies received—these are all in 1978 figures, by the way—and energy comparisons—and these energy numbers are not ours; these were done by the Oak Ridge National Laboratories in a study for the Department of Energy.

During 1978 the industry had $1.4 billion in revenues, employed 44,000 people, and was able to make $55 million before income taxes, of which $100 million in operating taxes went to Federal and State Governments.

Although the bus industry is an essential component of this country's public transportation network, it is not a healthy industry. Passenger volume on scheduled routes has been declining and operating margins have shrunk to a level which threatens the viability of the industry.

Many complex factors have contributed to this situation; however, the principal causes are the proliferation of the automobile, the predatory pricing policies of Amtrak, and the population shift from rural areas.

Mr. Chairman, you addressed the issue of particularly energy efficiency which you are particularly concerned with in relation to this legislation before us today, and I would like to emphasize that the intercity bus industry, the intercity bus, is the most energy efficient, least polluting and most cost effective of all modes in terms of passengers transported.

In scheduled service operating at 45 percent of capacity—and this is in actual operations—the bus averages 113 passenger miles per gallon of diesel fuel. This is a national average; this is not a specific corridor we are pulling out of the air; this is our average; it includes anything from a bus carrying one or two people to a full load.

In tour and charter service the bus delivers 205 passenger gallons per mile. In 1978 the bus industry averaged 41 passenger miles per gallon for all types of service. The comparable figure for Amtrak was only 41 passenger miles per gallon, and this is again a number from the Department of Energy.

And I might add that the automobile achieved greater fuel efficiency under the study than Amtrak.

The west coast corridor study that has been referred to here by Caltrans in June of 1978 was done by the California Department of Transportation and the Federal Railroad Administration, and it clearly indicates the bus is the most energy efficient mode of intercity travel; it requires five times as much fuel to move a person by air and 2.5 times as much by rail or auto. These are the results of a study done here in California.

The basic difference in terms of getting through the—or of comparing fuel efficiencies are based on the fact that we are talking about moving 600 pounds per available seat in a bus, as opposed to short-haul Amtrak trains of 1,700 to 4,000 pounds of deadweight per seat; and on longer trains the numbers are even more staggering.

If all of Amtrak's volume in 1978—and that is 4.2 billion passenger miles—had been hauled by bus transportation, it would have resulted in a net savings of 189 to 238 million gallons of gasoline, depending upon busload factors.

On page 6, in support of our statement as being the least polluting of the various modes, we have quoted a study done by Boeing Commercial Airplane Co. There are various studies; they all result in the same factors, and I might point out in that Boeing report for the four corridors listed here on page 6, bus was 3 to 4 times less polluting than Amtrak in relation to carbon monoxide, 35 to 340 times less polluting in the area of hydrocarbons, and 19 to 73 times less polluting with nitrogen oxide.

In 1978 the intercity bus passengers paid an unsubsidized rate of 5.18 cents per passenger-mile traveled. On the other hand, the Amtrak passenger paid—and this was at a heavily subsidized level—only 5.6 cents per passenger mile, and 8.2 for air passengers.

In terms of relative cost of operation per passenger mile, it is interesting to note that intercity bus was at 5.25. Now, this compares to the cost to the passenger of 5.18 cents per passenger mile. For Amtrak, in 1978, it was 16 cents per passenger mile. That was the actual cost of providing the service. The traveler paid only 5.6 cents. In 1979 the figures are even worse. It is 20.2 cents per passenger mile for Amtrak. Each time someone goes up to the ticket window to purchase an Amtrak ticket, the taxpayers of this Nation will contribute $31.06 to each trip on the average.

Travel by intercity bus is also the safest mode. Again, I quote a study here by the National Safety Council, with numbers between the year 1975 and 1977.

Now, on page 8, I refer back to the original legislation which established Amtrak as under the Rail Passenger Service Act of 1970. There, among other things, it indicated that Amtrak should be operated on a for-profit basis; allocated $40 million of seed money to get Amtrak off to a good start; and based on that Amtrak has gone down hill, at least in that respect, in trying to meet its objective.

Amtrak is a quasi-public, quasi-private entity, with apparently unlimited Federal funds, no longer committed to its initial congressional mandate to operate for a profit. In 1972, Amtrak's first full year of operation, Amtrak carried only 16.2 million passengers which taxpayers subsidized to the extent of $9.48 per passenger. By 1978, Amtrak's ridership increased to only 18.9 million passengers, and the Federal subsidy for each passenger increased 328 percent to $31.06. Amtrak statistics are shown in appendix II.

Greyhound, the Nation's largest intercity motorbus company, operates over 90,000 miles of certificated routes, with a fleet of 4,200 buses. Greyhound operates over a million bus miles a day, serving over 132,000 people each day.

Greyhound is committed to providing a high quality of transportation service in modern, up-to-date equipment and terminals. Greyhound has continuously invested in new buses, terminals, and maintenance facilities. Greyhound has spent more for capital expenditures over the last 10 years than it has generated in net income after taxes during the same period.

The financial ability and economic incentive to Greyhound and other private motorbus companies to provide high levels of service and maintain adequate equipment and facilities depends on revenues.

Appendix III presents, if I might direct your attention to that at this time, the ratio of expenses to revenue for both Amtrak and Greyhound since 1972. You can see that our picture has substantially deteriorated. We are now at a ratio of only 97.37 percent comparing expenses to revenues; however, Amtrak's has increased as dramatically since that period of time; it is now 287.8 percent in terms of a ratio of expenses to revenues.

Greyhound considers each aspect of the service on both an economic and socioeconomic basis. Amtrak, on the other hand, irrespective of cost considerations, revenues, profitability, reasonableness of service with respect to costs or other existing competitive services, makes judgments with respect to transportation service on a totally different basis than Greyhound.

It may appear from the information presented thus far that Greyhound is violently opposed to rail passenger transportation by Amtrak. Nothing could be further from the truth. We recognize a need for rail passenger service in the Nation and this type of service is part of a balanced national transportation policy; however, we feel that it should be operated in a fair sense with respect to competition, particularly in relation to private enterprise.

Greyhound Lines has taken steps in the past to promote intermodal service between Amtrak and intercity bus. As early as June of 1971, Greyhound met with Amtrak to work on intermodal operations with respect to through ticketing or intermodal terminal operations.

In the pages that follow page 11, here in my testimony, I spell out the history with respect to our meetings with Amtrak and how we proceeded through each step, Amtrak continued to ignore us until we entered into an agreement in June of 1974. However, the only results of that have been minimal cooperation in the Boston, Mass., the Maine area, the New England service, some service in Michigan and some in New Orleans.

Dealing specifically with intermodal terminals, Greyhound feels that there are important advantages to be derived from the construction and operation of intermodal transportation centers. Existing terminal facilities in many large cities can be substantially improved, or duplicate facilities could be eliminated. However, any such intermodal terminal facility must be constructed, as far as Greyhound is concerned, on an economically justifiable and feasible basis.

In this connection, I would like to point out several facilities where we do cooperate with local public agencies, in the Boston area with MBTA, Chicago's Rapid Transit Authority, Greater Cleveland Rapid Transit, and here in the Los Angeles Rapid Transit District. We have joint operations in a terminal facility in downtown Los Angeles. There are also facilities located in New Orleans which we operate with Amtrak and the Southern Railroad and local surface transportation. Harrisburg is a similar situation as well as the Newark, N.J.-Penn Station.

Amtrak is not committed to operate efficient routes, to operating its facilities in an efficient manner or otherwise to engage in business practices which are prevalent and common throughout the private sector. These vastly different considerations of Amtrak and Greyhound are equally applicable to every facet of intermodal transportation services. It makes it rather difficult for us to cooperate with an agency that has unlimited funds in terms of extending service or upgrading facilities or any other area of service provision.

Now pointing directly to this corridor that we are talking about today, the San Diego to Los Angeles corridor, page 19, the intercity bus industry currently provides 39 roundtrips per day between Los Angeles and San Diego. On the average, a bus is leaving in each direction every 35 minutes all day, every day of the week. In addition, several tours and sightseeing buses operate daily between these points.

Greyhound Lines, Inc., provides 35 roundtrips per day, or 1,505 seats, in each direction. Greyhound carried 1,322,000 passengers in

1978, or the equivalent of 2.5 passengers every minute. Each passenger individually paid the full cost of their trip, including a profit to Greyhound. The one-way fare is $8.65 and roundtrip is $16.44. Travel time is 2 hours and 20 minutes, nonstop.

Amtrak offered six roundtrips each day, carrying a total of 761,991 passengers in 1978. Fares were $10.75 one way and $21.50 roundtrip. Travel time is 15 minutes longer than Greyhound—2 hours 35 minutes. Total operating expenses were $14,575,000, or 23 cents per passenger mile; operating revenues totaled $4,527,000, resulting in a loss of $10,048,000. The taypayers paid each passenger $13.19 to make their trip.

While ridership increased 28 percent in 1978, the operating loss far outstripped it by ballooning 35 percent.

Appendix IV indicates the expenses on this trip over a period since 1974 through 1978, and it shows—I would like to direct your attention now to the last two paragraphs on appendix IV where it shows that in fiscal year 1977 Amtrak's revenue per passenger mile is 8.8 cents per mile. In 1978 it was 8.5; it actually dropped between 1977 and 1978. However, inservice increased. There was an additional roundtrip added in March 1978. Amtrak tends to present figures percentagewise in terms of ridership increases, and sure, ridership increased; but you have to look at the total costs also, and costs far outweighed the increase in ridership and, in fact, caused this dilution in terms of revenue per passenger mile in 1978.

If I might make a sort of theoretical stretch of the imagination here with relation to the total subsidy paid to provide the service between San Diego and Los Angeles, with the $10.42 million of subsidy that went to Amtrak, Greyhound could have operated 81 additional roundtrips between Los Angeles and San Diego, 1 bus every 12 minutes all day and all night, each direction, in each day in 1978, transporting not only all the people that rode on Amtrak for free, but anybody else that happened to wander in on any one of those 162 buses that were leaving during any point during the day and still returned $4,142,200 to the taxpayers.

Mr. **Florio**. Mr. Stage, let me ask you a couple of questions, if you don't mind. Your testimony is very similar to the testimony that we have heard as we go to other areas of the country when the intercity bus industry is called upon to testify, particularly relative to Amtrak.

I would like to find out if the conditions here are similar to those in other areas. For example, Amtrak carries on this corridor 2 to 3 percent of all passenger trips; and they average six trains per day. My understanding is of it, and you have testified is 39 roundtrips per day by bus.

I would think that would be roughly similar in terms of passenger volume. Do you, off the top of your head, know what percentage of all passenger trips Greyhound carries per day? Would it be roughly comparable to that, 2 or 3 percent?

Mr. **Stage**. In this corridor?

Mr. **Florio**. Yes.

Mr. **Stage**. No, I don't know, offhand.

Mr. **Florio**. I would assume it probably is because that is the historical experience in other areas as well. We have Amtrak allegedly competing unfairly, as you characterize it, with the intercity busline, but neither of them making a very big dent in the total passenger miles traveled or passenger volume. The argument is made that there should be more assistance for the intercity bus industry. As you know, there are proposals that have been introduced to provide for subsidies for intercity buslines.

Then, of course, we would have the unusual situation of the Federal Government providing subsidies to two entities to compete with themselves and neither of them making a great dent in the overall passenger traffic in a particular area.

Do you think that, taking, into account Amtrak's relatively small percentage of the passenger volume in this corridor, 2 to 3 percent, if Amtrak increased their traffic would they take it out of your share, or do you think that it would come from the automobile volume?

Mr. STAGE. I think they would take a portion of it out of our share, based on pricing, the history of the pricing of Amtrak, primarily because—and I will get into that later—because it has been shown it ranges from 10 to 25 percent of the total passengers that Amtrak attracts—this is their number—comes from intercity bus.

Mr. FLORIO. Doesn't that almost demand that there be a higher degree of cooperation between these two modes of traffic so as to eat into what we are all concerned about, reducing vehicular traffic? The major thrust of the testimony, it seems to me, and you touched on it, is the need for cooperation. You indicated there were some preliminary discussions going on, but it seems to me that in the public interest there has to be much more interest in a higher degree of cooperation between these two modes. Between the two, they are only making a small fraction of an incursion into the traffic, even in areas such as this, that have the highest traffic density potential for the type of corridor we find in this area.

Mr. STAGE. We think it is between 2 to 3 percent of all the intercity service nationally that is the market, the bus and rail make up together, that is all we are affecting here.

Mr. FLORIO. I am saying——

Mr. STAGE. I know what you are saying—if I may finish. The problem is that Amtrak is directly competing on a pricing basis with the intercity bus industry, a private operation. Now, the entire 1,100 companies that pay taxes in the United States are private; they receive no subsidies whatsoever; and they have to charge the passenger the full fare, a full cost of that, of providing that service, any service that they provide. Amtrak does not. Amtrak has an unlimited, almost theoretically unlimited, source of funds.

Mr. FLORIO. What I am saying is, if Amtrak were cleared from the face of the Earth tomorrow, that you assume that you would pick up their traffic, but that would still total something like 5 to 6 percent of all of the traffic in this particular area. I think that is characteristic across the Nation in the high traffic density corridors. Is that a fair assessment of what the projection of your activity would be?

Mr. STAGE. I think it is too low. I think it is over 10 percent. Government studies have indicated just in the Northeast corridor that if Amtrak ceased to exist, our revenues would increase 11 percent.

Mr. FLORIO. Your revenues? What percentage of traffic do you think you would have in the Northeast corridor?

Mr. STAGE. We have about 15—it is higher than the national average; I am afraid to guess—it is between 5 and 15 percent.

Mr. FLORIO. Perhaps if you could terminate your testimony we could move on.

Mr. STAGE. OK. The San Diego-Los Angeles rail passenger service engineering feasibility study that was completed in 1975 by Caltrans indicated—and was referred to briefly in testimony—that $1.4 million could cut the traveltime considerably between San Diego and Los Angeles. It further studied the requirements to upgrade this facility so that rail could operate in one 1 hour and 55 minutes between these points; and this is the traveltime that is indicated in H.R. 5403, the bill that we are discussing here today; and to do that, the cost estimate, the low range was $75.5 million.

Now, $70 million is quoted by Caltrans. I think they even rounded it off even further. The higher range was $161 million. That was in 1975 dollars. This was to do the various things that were indicated before—minor fencing, improving grade crossings, upgrading the traffic—so that a speed of 120 miles an hour is capable on this route. And at this point, if I may address a comment that Senator Mills made, in removing local speed restrictions, I don't think it is as easy as he indicated. You know, you just can't go up to a railroad and start indicating that we want to operate faster service, so let's cut the speed restrictions. There are valid engineering reasons behind these speed restrictions. I might point to the Amtrak record just in the past year, in terms of the number of accidents that have occurred due to higher speeds than those posted on the rail facilities over which they operate. It takes a lot of dollars to upgrade the track to a facility capable of handling the types of speeds you are talking about here in this bill before us. The passenger rail corridor upgrading study, which was a final report prepared by the Federal Railroad Administration in November of 1977, examined the numerous rail corridors throughout the United States. It concentrated on about 10, one of which was the Los Angeles-San Diego corridor. In there it indicates that to provide a track facility of 120-miles-per-hour capability, which would result in 1 hour and 55 minutes running time, would require $814,971,000 in 1976 dollars.

Now, we are in 1980 today. You can imagine that figure has escalated to over $1 billion.

Clearly, a thorough and complete analysis of the proposed Southwest corridor service is called for prior to any construction or expansion of service. Although $5 million is a high price to pay for such a study, it is imperative that as accurate a study be done as technically feasible in the hope of saving future taxpayers' outlays of over $1 billion in 1980.

It is important to make a complete analysis of the economic, social, and environmental impacts of the various alternative modes that currently exist, including those operated by private enterprise.

At this time I would like to briefly address the issue of predatory pricing of Amtrak. I hope to answer some of your other statements previously in terms of why we feel the way we do.

Mr. FLORIO. We would appreciate a brief summary.

Mr. STAGE. Yes, sir.

In reference to the information I provided before, the reason I summarized it so briefly was that I was trying to indicate the full efforts that we have, in that it was not a minimal effort by any means. We, in effect, printed over 3,000 training and information documents for Amtrak; we shipped them to their Washington office, and they were never taken off the loading dock. That is how far we got.

We invested our own money in trying to cooperate with Amtrak, and Amtrak never went any further than that. I think you will find on reading the testimony that we can document these facts.

As far as predatory pricing, Amtrak is engaged in below-cost pricing aimed at other modes of carriage, particularly the intercity bus companies. The intercity bus companies must meet Amtrak's fare structure in order to effectively compete for passengers.

Amtrak's below-cost predatory pricing is deemed to be against public policy, indeed unlawful, in nearly every other economic endeavor in our Nation. This type of pricing policy should not be fostered, directly or indirectly, to the detriment of the bus industry, and I attached several appendixes which compare the fares prior to Amtrak for rail service, upon the implementation of Amtrak, and finally 1 or 2 years later where Amtrak has reduced their fares in order to compete with our fares; and, in fact, reduced them to such an artificially low value that we cannot substantially justify the economics involved, even from a private perspective.

One of the problems, I think, with Amtrak is that there is no test performance; there is no measure in terms of where do you draw the line in expending public dollars to support rail service. If you had an opportunity to review some of the latest developments in the area of urban mass transportation and the billions of dollars that go into that industry each year, which are well spent dollars, you would find that they are at a state now where they have developed rather extensive measures for interpreting performance, and they are attempting to become more efficient, more economical. They are realizing the signs of the times in developing their new service.

Amtrak has not, on the other hand, done any type of development of tests on performance. Greyhound or any other private company must live with their stockholders, and so we are consequently examined in terms of our performance on a quarter-to-quarter basis. Only Amtrak can have a policy of deliberately not raising its fares to meet its fully rising costs due to inflation.

There is no reason that passengers traveling by train should be spared the higher cost of inflation, while bus and airline passengers are not. Only Amtrak can deliberately underprice its service and turn to the Government to make up the deficit resulting from that action. There is no marketing reason that rail services should not be made self-sufficient on the routes where Amtrak provides an important public service, for example in the Northeast corridor between Washington and Boston or the Los Angeles-San Diego corridor. It is not a valid market assumption that passengers will not pay compensatory rates when the service is important to them. They pay what it costs to ride the airlines and to ride the buses. There is no reason to believe that the rail passengers will not similarly pay the cost of their trip when they go by rail if, in fact, it is an essential service.

I go on to indicate several studies that have been done, internally and externally, in relation to pricing, but I would like to just point out one appendix at this time, appendix 11, which, to me, clearly states the issues at hand here.

On this chart we have graphed the percentage change in the Consumer Price Index from 1972 through 1978. You will see it there in about the middle of all of the lines. Greyhound's revenues and expenses have approximated the slope of that curve. Amtrak's revenues have commendably increased at a faster rate than the Consumer Price Index; however, the expenses have increased dramatically right up to the top of the scale in this case, and their revenues in no instance are keeping up with the rate of inflation of expenses.

You will find on page 30 where I refer to the Comptroller General's report to the Congress on Amtrak's Economic Impact on the Intercity Bus Industry. This is where I got the 11-percent revenue. This is from a Government study.

In there they say, "There is little question that subsidized Amtrak service has attracted customers that would have otherwise ridden buses."

In the testimony today it was recognized that one-fifth of the riders, I assume by a market study in the San Diego-Los Angeles corridor, came from intercity bus.

I have also included data which show that we have, in fact, lost passengers in the Northeast corridor and in any other corridor where Amtrak is currently operating service where we were operating profitably prior to Amtrak.

Greyound's existence and the existence of the regular route intercity motor bus industry, as we know it today, depends on the carriage of passengers and revenues which are generated. Unless Greyhound and other bus companies can attract passengers at a competitive and compensatory fare, Amtrak's predatory pricing and destructive competitive effect will take its certain toll.

At issue then is the ability of Greyhound and our Nation's other regular route intercity bus companies to compete with Amtrak. The harsh reality is that there is no way that any bus company can fairly compete with an entity that can ignore the revenues at the farebox, ignore expenses and other cost considerations, and set its prices at any loss figure that it desires, fully confident that the unlimited pocketbook of the Federal Government will keep providing and providing and providing.

The waste of our Nation's valuable resources on uneconomic and unjustifiable rail operations must stop. Amtrak must have a rational role in the Nation's transportation policy; Greyhound and other intercity bus operators must similarly have a rational role.

If one mode of transportation is engaged in predatory and destructive practices on other modes of passenger transportation, a balanced transportation system cannot be attained.

As we have documented in this statement, the intercity bus industry is truly an asset to the national transportation system. The intercity bus is the most energy efficient, least polluting, most cost effective and safest form of intercity public transportation available. The intercity bus industry continues to offer a high level of service at a fare that enables bus operators to earn a profit and make a substantial contribution to revenue needs of all levels of government through taxes and fees.

Amtrak, on the other hand, continues to incur ever-increasing deficits. No one route or train has ever shown a profit in 9 years. Amtrak continues to project unrealistically low deficits year after year. Ridership gains have been at the expense of the intercity bus industry. Predatory Amtrak pricing has forced intercity bus fares to remain artificially low. The cost to the taxpayer for each ride taken on Amtrak continues to increase. See appendix 19.

It is important to recognize that Greyhound is not opposed to the development and expansion of services in the Northeast corridor. As it has been clearly documented in the past, special conditions in the Northeast corridor justify frequent and fast rail passenger service. The population density and socioeconomic characteristics of the Northeast corridor between Boston, New York, and Washington, D.C., provide the environment to justify a high level of rail passenger service. Those unique circumstances present in the Northeast corridor which are used to justify a high level rail service are nowhere else present in the United States.

Greyhound is adamantly opposed to expansion of other rail corridors throughout the country which cannot be justified on the basis of economic need or travel demand. In an era of heightened interest in government economy and fiscal conservatism, particularly as exemplied by the enlightened actions of the citizens of the State of California in limiting government spending, it is difficult to justify expenditures of the magnitude implied by H.R. 5403. We can conceive no rationale for embarking upon a course which in this State alone could lead to the expenditure of several billion dollars, particularly when the traveling public could be accommodated on another mode—intercity bus—at virtually no cost to the Government, lower fares to the public, less pollution, and greater energy efficiency.

Thank you very much; and if I can answer any further questions——

[Testimony resumes on p. 102.]

[Mr. Stage's prepared statement and attachments follow:]

STATEMENT OF

WILLIAM G. STAGE
DIRECTOR - OPERATIONS PROGRAMS
GREYHOUND LINES, INC.

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
UNITED STATES HOUSE OF REPRESENTATIVES

ON

H.R. 5403 "SOUTHWEST COAST CORRIDOR SERVICE"

JANUARY 14, 1980

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Greyhound Lines, Inc.

My name is William G. Stage and I am employed by Greyhound Lines, Inc. as Director - Operations Programs. My address is 1615 Greyhound Tower, Phoenix, Arizona 85077. My professional career has been devoted to endeavors in the field of public passenger transportation. I have worked as a consultant, planner, chief engineer and prior to joining Greyhound, held the position of Chief, Rural and Intercity Public Transportation Division of the Pennsylvania Department of Transportation. I have a Bachelor of Science degree in Civil Engineering from the University of Pennsylvania, a Master of Science degree in Civil Engineering (Public Transportation) also from the University of Pennsylvania, and have one course to complete in the Masters of Business Administration Program at Pennsylvania State University. I am a registered professional engineer in the Commonwealth of Pennsylvania.

SOUTHWEST COAST CORRIDOR SERVICE

This statement is in direct response to H.R. 5403 "Southwest Coast Corridor Service". The Bill before the House of Representatives proposes to amend the Rail Passenger Service Act by adding a new section mandating the examination of high speed rail passenger service in the Los Angeles-San Diego corridor. Improvements are authorized to permit operation of trains on schedules of one hour and fifty-five minutes with at least five intermediate stops.

Amtrak would be authorized to improve tracks and facilities, and acquire properties or interests to permit future operation of the service. Amtrak could acquire railroad rights-of-way and related facilities, relocate any portion of existing lines, abandon service, dispose of excess real property and contract out any work to independent contractors.

The Bill requires the following of Amtrak:

1) Develop arrangements for acquisition of title to, or rights to use properties.

2) Obtain permits to perform improvements; Studies by Amtrak or others must coordinate closely with the State of California Department of Transportation and consider previous studies done by the State on the San Diego-Los Angeles-Oxnard corridor.

3) Develop improved arrangements to increase labor efficiency.

4) Evaluate the feasibility of electrification.

5) Evaluate ridership and revenues the improved service would generate.

6) Develop detailed statement of costs required to operate the Service and maintain the improvements.

The Bill concludes by authorizing $5,000,000 to complete the study outlined above and "...there are authorized to be appropriated to the Secretary for the benefit of the Corporation (Amtrak) such sums as may be required to carry out the Improvements required to implement the Service." Merely a blank check!

Greyhound interprets this Bill as the tip of an iceburg in relation to the expansion of Amtrak taxpayer subsidized services in other corridors throughout the nation. The Bill has the potential of being the beginning of the end for the intercity bus industry. It is a well recognized fact that cross-subsidies exist in the bus industry. The profitable corridors such as Los Angeles-San Diego, Washington-New York-Boston, Chicago-Cincinnati, Chicago-St. Louis, Los Angeles-Las Vegas, and Portland-Seattle, to name a few, support the remainder of the system. For Greyhound Lines, Inc., forty (40) percent of the system not only subsidizes the remaining sixty (60) percent, but permits our operations to be profitable and to pay taxes. If Amtrak is permitted to expand heavily subsidized operations in our profitable corridors, it will not only affect service in these corridors, but will drastically reduce or eliminate service to many of the over 14,000 communities faithfully served only by the intercity bus industry.

THE INTERCITY BUS INDUSTRY

The private intercity bus industry consists of over 1,100 companies. These companies operated 20,200 buses over 278,000 miles of scheduled routes. This industry is the largest, most pervasive form of public intercity transportation in America. It provides service to approximately 15,000 communities and during 1978 carried 335 million passengers, more than Amtrak and the airlines combined. The majority of these passengers were elderly, young, low income or from a rural area with no other form of transportation available. Of the 15,000 communities served by buses, 14,000 have no other form of transportation. Amtrak, for example, provides service to 543 locations, the airlines reach only 700 (See Appendix 1).

During 1978, the industry had revenues of $1.4 billion, directly employed 44,000 people, had a net operating revenue of $55 million before income taxes and paid about $100 million in operating taxes to federal and state governments. Not only did the intercity bus pay its own way in 1978 by managing to operate 20,200 buses, employ 44,000 people, purchase new buses, construct new terminals and transport 335 million people, but it also contributed the equivalent of one-sixth of Amtrak's deficit in the form of tax dollars to federal, state and local governments.

Although the bus industry is an essential component of this country's public transportation network, it is not a healthy industry. Passenger volume on scheduled routes has been declining and operating margins have shrunk to a level which threatens the viability of the industry.

Many complex factors have contributed to this situation; however, the principal causes are the proliferation of the automobile, the predatory pricing policies of Amtrak and the population shift from rural areas.

Greyhound Lines, Inc.

Over the years the declining passenger volume in scheduled service has been partly offset by a long term increase in the volume of tour and charter business. Package express has also continued to generate profitable revenue. However, these two areas have not totally compensated for the losses in scheduled services and since 1971 the industry's operating margin has declined from 10.6% to 4.0%.

The intercity bus is the most energy efficient, least polluting, and most cost effective of all modes in terms of passengers transported. In scheduled service operating at only 45% of capacity, the bus averages 113 passenger miles per gallon of diesel fuel. In tour and charter service (which have higher load factors), the bus delivers 205 passenger miles per gallon. Overall, during 1978, the bus industry averaged 141 passenger miles per gallon for all types of service. The comparable figure for Amtrak was 41 passenger miles per gallon.

The West Coast Corridor Study completed in June 1978 by the California Department of Transportation and the Federal Railroad Administration indicates the bus is the most energy efficient mode of intercity travel. It requires five (5) times as much fuel to move a person by air and two and one-half (2.5) times as much by rail or auto as compared to bus.

The overwhelming fuel efficiency and lower operating cost of the bus is a function of vehicle deadweight per person carried. The current downsizing of automobiles (to improve their fuel efficiency via reduced weight) is a common example of this relationship. A bus weighs only 600 pounds per available seat. In contrast, Amtrak's short-haul trains weigh from 1,700 to 4,000 pounds of deadweight per seat. Longer trains equipped with lounge cars, drivers, etc., range from 6,000 to 20,600 pounds per seat.

If all of Amtrak's volume in 1978 (4.2 billion passenger miles) had been handled by bus transportation, it would have resulted in a net savings of 73 million gallons of diesel fuel and diesel fuel equivalent of electric power used. Diversion of just one (1) percent of automobile travel to intercity bus would result in an annual saving of 189 to 238 million gallons of gasoline depending on bus load factors.

The Boeing Commercial Airplane Company completed a study in November 1976, dealing with the comparative levels of pollution among transportation carriers, and reports that the intercity bus is the least polluting of all transportation modes, in addition to its unequalled fuel efficiency. It was reported that "for CO and HC emissions, buses generally are lowest and autos highest, with aircraft inbetween."

Studying representative city-pairs, the Boeing report measured emission levels in terms of pounds of pollutants per passenger:

	Emissions in lbs. per passenger					
	Carbon Monoxide		Hydrocarbons		Nitrogen Oxide	
	Bus	Amtrak	Bus	Amtrak	Bus	Amtrak
Portland-San Francisco	.015	.47	.004	.14	.04	2.66
New York-Chicago	.083	3.63	.024	8.28	.25	10.21
Seattle-Denver	.029	1.67	.009	3.11	.09	6.62
Atlanta-Los Angeles	.108	2.52	.003	5.83	.36	6.95

Intercity bus service is the most economical and most flexible form of public transportation. In 1978, intercity bus passengers paid an unsubsidized rate of only 5.18 cents per passenger mile traveled compared to a heavily subsidized fare of 5.6 cents per passenger mile for rail passengers and 8.2 for air passengers. In terms of relative costs of operation per passenger mile, intercity bus was 5.25 cents per passenger mile (package express and charter revenue excluded), Amtrak required 16 cents per passenger mile (20.2 cents per passenger mile in 1979) and air travel was 7.9 cents per passenger mile.

Travel by intercity bus is also the safest mode. The National Safety Council averages for passenger fatalities per 100,000,000 passenger miles for 1975-1977 indicate the following rates: Automobiles 1.4, Railroads 0.05, Airlines 0.04. Intercity bus operations for all Class 1 carriers reporting to the ICC experienced an average rate of 0.02.

AMTRAK

Amtrak was created by the 91st Congress under Public Law 91-518 of the Rail Passenger Service Act of 1970. Amtrak was exempted from Interstate Commerce Commission Jurisdiction over routes, fares, abandonments and services. To avoid the prospect of an unending drain on the taxpayer, the law directed:

(1) That Amtrak should be operated on a for-profit basis, and
(2) That no taxpayer money shall be used for operating subsidies. In other words, the rider must pay the cost of their train ride.

Under the provision of this law, Congress voted a "one-time-only" appropriation of $40 million seed money from the public treasury, and Amtrak, a quasi-public corporation, predicted it would break even by 1976.

A report on Amtrak of August 1978, for the National Transportation Policy Study Commission states,

> "Although Amtrak is legally constituted as a "for profit" corporation, it has never earned a profit, nor is it likely to ever earn one. Amtrak does not rely on private capital and equity markets or operating surpluses to finance operation and capital needs. It depends on congressional appropriations. Therefore, Amtrak may be expected to behave differently from a private corporation. Amtrak's need to minimize deficits does not carry the same weight as the need for a private carrier to maximize profits. Amtrak will bend to the Congressional will. It will internalize Congress' goals because Congress, not the customers, has the most control over the Corporation's existence."

In considering the inherent advantages of each mode of transportation one must properly perceive the mode to be considered. For the purposes of this proceeding, the respective modes are Amtrak and intercity bus. Amtrak is a quasi-public, quasi-private entity with apparently unlimited federal funds, no longer committed to its initial Congressional mandate to operate for a profit, but rather, evolving Darwinianlike without economic or practical purpose but, nevertheless, in some fashion apparently committed to rail passenger transportation. In 1972, Amtrak's first full year of operation, Amtrak carried 16.2 million passengers which taxpayers subsidized to the extent of $9.48 per passenger. By 1978, Amtrak's ridership increased to only 18.9 million passengers and the federal subsidy for each passenger increased 328% to $31.06. Amtrak statistics are shown in Appendix 2.

Greyhound, the nation's largest intercity motor bus company, operates over 90,000 miles of certificated routes, with a fleet of 4,200 buses. Greyhound operates over a million bus miles a day, serving over 132,000 people each day, through 139 company staffed terminals and 2,865 on-line commission agencies. At the end of 1978 Greyhound had approximately 16,000 employees who, with their families, depended upon salaries earned from Greyhound. Greyhound is committed to providing a high quality of transportation service in modern, up-to-date equipment and terminals. Greyhound has continuously invested in new buses, terminals and maintenance facilities. Greyhound has spent more for capital expenditures over the last ten years, than it has generated in net income after taxes during the same period!

The financial ability and economic incentive to Greyhound and other private motor bus companies to provide high levels of service and maintain adequate equipment and facilities depends on revenues. Greyhound can only exist as a private entity if sufficient revenues are generated from its transportation services to ensure its continued viability. Unfortunately for the intercity regular route bus industry, that has not been an easy task in recent years. Over the last ten years and particularly since the inception of Amtrak, many intercity regular route motor bus companies have ceased to do business, have merged, gone bankrupt, gone out of business, or otherwise terminated their valuable services.

Appendix 3 presents the ratio of revenues to expenses for both Amtrak and Greyhound since 1972. As can be determined from the graph, Amtrak's ratio has continued to climb astronomically, with increases in expenses outpacing increases in revenues. Greyhound's revenues have also declined since 1972 but overall operations are still profitable.

These fundamental differences between Amtrak and Greyhound and other intercity bus companies as private entities enter into all aspects of providing transportation services, including use, design and maintenance of terminal facilities, institution of routes, cessation of service, pricing of transportation and indeed all aspects of passenger service. Greyhound considers each aspect of its service on both an economic and socio-economic basis. Amtrak, on the other hand, irrespective of cost considerations, revenues, profitability, reasonableness of service with respect to costs or other existing competitive service, makes judgments with respect to transportation services on a totally different basis than Greyhound and other private intercity motor bus carriers.

Greyhound Lines, Inc.

ANALYSIS OF BUS-RAIL INTERMODAL SERVICE

It may appear from the information presented thus far that Greyhound is violently opposed to the rail passenger service as offered by Amtrak. Nothing could be further from the truth. Greyhound Lines,Inc. recognizes that there is a place under the appropriate circumstances for a viable rail passenger system in relation to a balanced national transportation policy. This system, however, should not operate as unfair competition to private enterprise.

Greyhound Lines, Inc. has taken steps in the past to promote intermodal service between Amtrak and intercity bus. However, most of our efforts have been rejected or ignored. As early as June 14, 1971 Greyhound met with Amtrak in Washington D.C. to discuss the possibilities of joint efforts in the development of through ticket sales. However, Amtrak was still in the developmental stages and too involved in staffing and internal procedural development to give the concept proper consideration. They did, however, agree to a subsequent meeting in Chicago. During September of 1971, Greyhound made a presentation to Amtrak's personnel in Washington D.C., entitled "Welcome Amtrak". The purpose of the presentation was to extend an invitation to Amtrak with the intent of creating a strong but competitive passenger transportation system. Greyhound's marketing research indicated the vast majority of rail passenger trips did not begin or terminate on Amtrak's routes. To compliment Amtrak's service, Greyhound proposed the implementation of ticketing for suggested terminals from the point of orgin to destination with the possibility of extending the through ticketing concept to every trip where the passenger might use both rail and bus services. The intent was to provide the passenger attractive service to compete with other modes of transportation, particularly the private automobile.

Additional meetings and communications have transpired between Amtrak and various representatives of Greyhound dealing with such matters as quoting fares, negotiating an interline sales agreement and other matters. After substantial negotiations, Amtrak and Greyhound entered into an interline agreement on June 13, 1974 for a program to become effective in the fall. That agreement provided that Greyhound and Amtrak authorize the other party to issue tickets or exchange orders interchangeable for tickets for the transportation of passengers over their respective routes designated from time to time.

Other matters have been discussed with Amtrak and Greyhound from time to time, including handy reference material, distribution of material, training of personnel, procedures for updating information, incentive programs, joint advertising and promotion, and Greyhound selling Amtrak's services. A major intermodal undertaking was initiated by Greyhound in August of 1974. Greyhound conducted a training program for Amtrak's trainers at an Amtrak center in Chicago by preparing and delivering 3,000 specially prepared copies of the Greyhound informational manual to Amtrak. That manual reviewed Greyhound Lines' service information for Amtrak personnel in order to implement the procedures which would become effective on September 15, 1974 as a result of the interline agreement between Greyhound and Amtrak. The intent of the informational manual was to acquaint Amtrak's personnel with through combination rail-bus service over selected routes.

Several months after Greyhound delivered those informational manuals to Amtrak, they were still in storage and Amtrak's field personnel had not received that information nor did Amtrak's field personnel have adequate information to explain or quote the intermodal service.

Notwithstanding that far-reaching proposal on Greyhound's part, only the following service has been instituted:

Boston, Massachusetts-Maine - New England Service

Grand Rapids-Kalamazoo - Michigan Service

Jacksonville-Tallahassee - Mobile - Biloxi - New Orleans Service.

It has been apparent throughout the discussions with Amtrak that Amtrak has been less than forthcoming in the development of intermodal passenger travel.

In addition to the above, Greyhound was also prepared to provide joint service at the following additional points: Denver, Colorado; Albuquerque, New Mexico; El Paso, Texas; and St. Petersburg, Florida. In each of these instances Greyhound was prepared to establish pick-up and discharge service at the respective Amtrak terminal for arriving or departing passengers, but Amtrak has been less than receptive.

In March and April of 1977 the above proposals of coordinated service and other proposals were made to Amtrak to further explore intermodal opportunities. Amtrak's response was a dilatory "still considering" and "we feel further research is needed before we make any definite commitments".

Dealing specifically with intermodal terminals, Greyhound feels that there are important advantages to be derived from the construction and operation of intermodal transportation centers. Existing terminal facilities in many large cities can be substantially improved, or duplicate facilities could be eliminated. Greyhound, as previously stated, operates 139 terminals with company employees.

These terminals are found in the larger cities and in many of these cities there are other facilities for Amtrak, mass transportation services and other bus companies. It would be of substantial benefit to the traveling public, and we are sure the traveling public would welcome, improved terminal facilities which would encourage public passenger transportation.

However, any such intermodal terminal facility must be constructed, as far as Greyhound is concerned, on an economically justifiable and feasible basis. This means that the cost of operation of the intermodal terminal facilities must not be prohibitiive to Greyhound as a private entity. But rather, must be on a fair and equitable basis. Intermodal passenger terminals in appropriate locations throughout the country are in the national transportation interest and in the interest of efficient use of resources and energy conservation. We believe a single transportation terminal, accommodating all modes of public transportation, lends itself to efficiency, makes it more convenient for passengers to arrive and choose one of several modes of transportation, saves time and energy in going from one terminal to another where different modes of travel are used on a trip, and, in fact, encourages the use of public and private carrier modes in intercity transit as opposed to the public's present heavy reliance on the private automobile. Greyhound has, at some length, weighed the advantages and disadvantages of participating in intermodal passenger terminals for all modes of surface transportation, and strongly supports that concept.

In this connection I would like to point out several facilities which Greyhound operates with other modes of transportation. For instance, Greyhound has an MBTA Riverside Station off route 128 in Boston, Massachusetts which is a rail and bus mass transit facility with large area for parking.

This facility also houses a Greyhound commission agency enabling passengers who utilize mass transit services or automobiles to travel to such intercity points as Hartford, Connecticut, New York City and Albany, New York and points beyond. Greyhound serves the Chicago's Rapid Transit Authority stations at such locations as Skokie Swift, Jefferson Park and 95th Street; in Cleveland, Ohio with the Greater Cleveland Rapid Transit District at 150 Street/Puritas Station, connecting with heavy rail and bus mass transit; and in El Monte, California with the Los Angeles Rapid Transit District. This time-saving, energy efficient facility makes public and private carrier transportation attractive and more convenient to the public and enhances the competitive appeal of those modes of transportation as compared to the private automobile.

There is also a facility located in New Orleans, Louisiana where Greyhound, Amtrak, Southern Railroad and surface transit carriers serve the public. The Harrisburg, Pennsylvania Railroad Station is served by Amtrak, Greyhound, Continental Trailways and Capitol Trailways. The Newark, New Jersey Penn Station serves Greyhound, Amtrak, Jersey Central Railroad, the P. A. T. H. to Jersey City and New York City, Transport of New Jersey Bus Lines and city surface transit companies. Greyhound also serves many airports, enabling bus-air connections. Just a few examples are Detroit, Buffalo, Syracuse, Albany, New Orleans, Milwaukee, Louisville, St. Louis, Minneapolis and San Francisco.

Greyhound feels that it should be the committed purpose of the federal government and the various agencies administering the federal programs to strongly support the intermodal terminal concept fully recognizing the distinctive and respective roles of the various modes of transportation, including particularly bus and rail. Recognition should also be given to the fact as large as Greyhound is, Greyhound is not so large and its resources are not so unlimited as to enable it to undertake the financing of intermodal terminals, but Greyhound is prepared to pay an equitable share as a tenant. Greyhound can only participate as a tenant in intermodal passenger terminals upon fair and equitable terms. The guidelines with respect to such participation are as follows:

First, the occupancy cost, rental payments, real estate taxes, and pro rata share of bus-rail facility's operating and maintenance costs must not exceed 5% of Greyhound's total gross revenue at a particular facility. It is comprehended that in addition to those expenses, Greyhound would bear the cost of its own employees at the facility for the sale of its services, dispensing of information and providing customer conveniences.

Second, an intermodal facility must have operating costs which are shared on an equitable, pro rata basis and which do not place an unfair or undue burden upon the bus carriers for either their exclusive use space or the commonly used space. In this connection, an acceptable method must be developed of identifying shared terminal operating costs and pro rating of these costs between bus and rail carriers.

Third, an intermodal facility must have an acceptable design for convenient use of the facilities by bus. Intercity bus companies should be included early in the joint development of facilities.

Fourth, Amtrak or other modes of transportation must not unfairly dominate intercity regular route intercity bus services to the detriment of the bus industry.

Fifth, representative intermodal passenger terminal facilities must be constructed and operating costs obtained in order that pertinent cost-benefit factors, equitable arrangements, convenient architectural designs and other practical problems may be solved.

Thus, while it is clear that the establishment of through routes and joint fares between bus lines are privately owned and operated and must, of necessity, realize a fair profit from their operations, while Amtrak is federally financed and unconcerned with profitability, the mutuality essential to any agreement is difficult to achieve.

With this divergent philosophy it is then apparent that Amtrak in looking at facilities, terminals and any other aspect of intermodal transportation is not concerned with the economic benefit derived as a result of the cost input. Amtrak is not committed to operating efficient routes, to operating its facilities in an efficient manner, or to otherwise engage in business practices which are prevalent and common throughout the private sector. Indeed, quite the contrary appears to be true. The more Amtrak spends, the more Amtrak demands and misapplies its resources. Amtrak's continual efforts to expand its rail transportation system to areas which are presently adequately served by other modes of transportation, irrespective of the cost of revenue aspects leaves at least the observers in the motor bus industry questioning the motivation and purposes of those unjustified route expansions.

These vastly different considerations of Amtrak and Greyhound are equally applicable to every facet of intermodal transportation services. Greyhound feels that providing an intermodal transportation service to the public with efficient modes of transportation can be achieved together with the accompanying fuel economies. However, Greyhound is not prepared to enter into arrangements with Amtrak or anyone else on an inequitable basis or on a basis which places a a disproportion of burden on the bus industry. Questions such as the following must be answered: Is it justified? Does it have economic merit? After expending all the funds and providing the facilities and rendering the service, can it be done on a compensatory basis? Are the benefits greater than the cost?

SAN DIEGO-LOS ANGELES CORRIDOR

The intercity bus industry currently provides thirty-nine (39) round trips per day between Los Angeles and San Diego. On the average, a bus is leaving in each direction every 35 minutes all day every day of the week. In addition, several tours and sightseeing buses operate daily between these points.

Greyhound Lines, Inc. provides 35 round trips per day, or 1,505 seats in each direction. Greyhound carried 1,322,000 passengers in 1978 or the equivalent of 2.5 passengers every minute. Each passenger individually paid the full cost of their trip, including a profit to Greyhound. The one-way fare is $8.65 and round trip is $16.44. Travel time is two hours and twenty minutes "nonstop".

Amtrak offered six (6) round trips each day, carrying a total of 761,991 passengers in 1978. Fares were $10.75 one way and $21.50 round trip. Travel time is 15 minutes longer than Greyhound - two (2) hours and thirty-five (35) minutes. Total operating expenses were $14,575,000 ($.23 per passenger mile), operating revenues totaled $4,573,818, resulting in a loss of $7,427,661. The taxpayers paid each passenger $13.19 to make their trip!

While ridership increased 28% in 1978, the operating loss far outstripped it by ballooning 35%. Appendix 4 shows that while expenses continued to increase, revenue per passenger mile actually decreased. Amtrak's fares do not reflect true costs nor do they even attempt to recover additional increases in expenses. According to the Interstate Commerce Commission's "Report to the President and the Congress", March 15,1979, the average passenger loadings per train decreased in the Los Angeles-San Diego corridor from 146.3 in 1977 to only 129.3 in 1978.

A simple and straightforward scenario exists in this corridor that can be applied to any other corridor. Additional trains increase frequency of service and attract additional passengers from auto, air and bus. Ridership gains are reported as large increases percentage-wise. This provides justification in some people's minds to add more trains. This is exactly what happened in 1978 - Amtrak added one additional round trip to the existing five daily round trips. Naturally, ridership rose - 28% (!) but the average number of passengers on each train went down 11.64%. Even if costs remained constant from 1977 to 1978, the cost per passenger transported went up! The rational and prudent person would say perhaps a closer look at the cost to provide additional service should be made before instituting that service. However, Amtrak has Congress to cover its deficit, no matter how large, they continue to increase based on nominal ridership gains. The adage that "100% of nothing is still nothing" seems to be appropriate when applied to some of Amtrak's services.

In 1978, given the subsidy Amtrak received, Greyhound Lines could have carried all of the rail passengers free and returned $4,142,200 to the taxpayers. For the $10,042,000 of subsidy that went to Amtrak, Greyhound could have operated 81 additional round trips between Los Angeles and San Diego - one bus every 12 minutes all day and night, each day of 1978, transporting all additional passengers for free! Conceivably, 3,483 persons could be transported in each direction each day without any cost to the passenger.

The rail route from Los Angeles to San Diego is along the Atchison, Topeka and Santa Fe (ATSF) Railway's A-Mainline. The line is double-tracked from Los Angeles to Fullerton and single-tracked from Fullerton to San Diego. Maximum speed is 90 miles per hour, but the 128 mile route is currently scheduled for two hours, 35 minutes, which provides a block speed of only 49.61 mph. Numerous grade crossings and a relatively large number of curves, some exhibiting curvature in excess of three degrees, restrict the speed to as low as 25 mph in some locations. The route contains a total of 126 curves, 97 of which have curvature greater than 53 minutes, 41 greater than two degrees, and 27 greater than three degrees. Many of these curves lie between Sorrento and San Diego. There are also 80 bridges along the route and 122 at-grade crossings (93 public, 29 private), many of which are at major arteries in Orange County and in several enroute coastal cities. The terminals are Union Station in downtown Los Angeles and Santa Fe Station in downtown San Diego. Automatic Block Signalling (ABS) is used in San Diego, while a Track Control System (TCS) is used between Los Angeles and San Diego, with the addition of an Automatic Train Stop (ATS) system between Santa Ana and the Sorrento Valley. All corridor characteristics were obtained from ATSF track charts and ATSF Los Angeles Division time tables.

The "San Diego-Los Angeles Rail Passenger Service Engineering Feasibility Study" was completed in December 1975 by Caltrans in conjunction with Senate Bill 2267. The legislation required an engineering feasibility study be conducted to develop and evaluate alternatives and costs for improving and upgrading rail passenger service between Los Angeles and San Diego.

A wide range of alternatives were analyzed ranging from relatively modest incremental facilities upgrading through the consideration of entirely new technologies. First level priority projects include additional automatic grade crossing protection devices at a total cost of $1,380,000. The travel time saved with these improvements would equal 18 minutes. Second priority improvements include increasing superelevations on several curves, and improved signaling at a total cost of $8,232,000. The time saved would equal five minutes. The additional annual operating cost was estimated to equal $2 million for one additional train in 1975. The total estimate for both first and second priority improvements, plus one additional train set, would total $14,75[illegible]000. The annual operating cost was estimated to increase $3 million.

Level 1 improvements were defined as improvements to increase the maximum speed to 90 mph, resulting in a total trip time of two hours and twenty minutes, with six round trips scheduled daily. Track upgrading includes raising the superelevation on 36 curves, upgrading and extending five sidings, signal system improvements, 17 miles of fencing, and upgrading 120 miles of track ties and ballast. Capital investment as estimated in 1975 dollars is $9,500,000, annual operating cost estimated at $5,900,000.

Level 3 improvements dictate a maximum speed of 110 mph with a resulting total trip time of one hour and fifty-five minutes. This trip time is exactly the same as that required by H.R. 5403 "Southwest Coast Corridor Service". Scheduling would permit ten round trips daily. Improvements include all of those in Level 1 with additional upgrading of track ties and ballast, additional increases of superelevation for 32 curves, upgrading an additional five sidings and twelve grade separation projects. Annual operating cost for diesel electric equipment was estimated at $10,200,000 in 1975 dollars. Capital investment was in the range of $75.5 million to $161 million in 1975 dollars.

The "Passenger Rail Corridor Upgrading Study" Final Report prepared for the Federal Railroad Administration in November 1977 examined numerous rail corridors within the United States and finally narrowed the analysis to ten. The Los Angeles-San Diego corridor was one which was considered. The analysis indicated that to upgrade the track to a 120 mph facility, a speed necessary to attain the one hour and fifty-five minute running time proposed in the Southwest Coast Corridor Bill, would cost a total of $814,971,000 in 1976 dollars. This figure includes upgrading bridges, realignment of track, eliminating grade crossings at both public and private locations, track work, fencing, signal and communications, interlockings, and potential electrification ($58,000,000). It does not include operating and maintenance cost, however. A complete benefit cost analysis was done with the resulting ratio equaling 0.065. The result of this analysis clearly indicates that a negative benefit overall would be achieved by upgrading the track to 120 mph facility.

In this same study operating and maintenance costs were estimated in 1976 dollars to equal $8.28 per train mile operated at 70 mph and $12.75 per train mile operated at 120 mph. For six round trips per day this results in a total cost of $7,148,000. This projected figure should be compared with the total cost to Amtrak to operate 1978 service. Amtrak operated five round trips daily between January and March of 1978 and six round trips for the remainder of the year. Total operating expenses were $14,575,000. Comparing this figure with the previous figure of $7,148,000 clearly shows that cost estimates at that time and since are not accurate, nor can they be guaranteed to be accurate over a short period of time. Not only was the $7,000,000 less than the $14,000,000, but it also was for operations at 120 mph as opposed to the current average speed of 49.5 mph.

Clearly, a thorough and complete analysis of the proposed Southwest Coast Corridor Service is called for prior to any construction or expansion of service. Although $5,000,000 is a high price to pay for such a study, it is imperative that as accurate a study be done as technically feasible in hope of saving future taxpayer outlays of over $1 billion in 1980 dollars.

PREDATORY PRICING

As mentioned previously, Amtrak from its inception was granted exemption from regulation of routes, fares and services by the Interstate Commerce Commission. Congress, however, saw fit to amend the original Rail Passenger Service Act and included the following in the "Amtrak Improvement Act of 1978":

> "Hearings on Unfair or Predatory Practices"
>
> "SEC. 7. Notwithstanding the provisions of section 306 of the Rail Passenger Service Act (45 U.S.C. 546), the Interstate Commerce Commission shall have, upon the application of any aggrieved motor carrier, jurisdiction under any applicable provision of part 1 of the Interstate Commerce Act over any rate, fare, charge, or marketing practice of the National Railroad Passenger Corporation with respect to any route or service which operates at a loss for the purpose of hearing the complaint over an unfair or predatory practice."

Apparently the intercity bus industry is not alone in recognizing that Amtrak fares have been extremely low in comparison to costs and constituted unfair pricing policies.

Any rational review of the pricing policies of Amtrak as outlined in the appendices must necessarily result in the conclusion that Amtrak is engaged in below cost pricing policies aimed at other modes of carriage, particularly the intercity bus industry. Bus companies must meet Amtrak's fare structure in order to effectively compete for passengers. Amtrak's below cost predatory pricing is deemed to be against public policy, indeed unlawful, in nearly every other economic endeavor in our Nation. This type of pricing policy should not be fostered, directly or indirectly to the detriment of the bus industry.

The series of exhibits attached and labeled Appendices 5, 6, 7, 8, and 9 indicate historically how Amtrak fares have caused intercity bus fares to remain artificially low in order to remain competitive.

Part of Amtrak's problem in relation to ever-increasing deficits seems to be related to losing sight of the original objective of profitability. The "for profit" goal was abandoned in favor of policies of general development of Amtrak without substituting some other test of effectiveness or some other way to determine the validity of results or ways of measuring the basic market requirement for the service.

Regardless of whether it is questionable that Amtrak will ever be able to operate without some subsidy, a profit test is essential if any discipline is to govern the development of corporate and related public policies. It is only natural that any management will respond to the tests of performance by which it is being measured. If ridership is the sole criterion of good performance, marketing strategies which increase ridership will be developed. On the other hand, if profit (or reduced subsidy dependence) is an important test of performance, management will develop policies which are designed to optimize revenues, even though some reduction in traffic volume might occur. Management will develop pricing strategies which carefully evaluate the net gain from a prospective fare change.

These are the tough pricing decisions one must make in any business managed for a profit. It certainly governs the marketing strategies of Amtrak's common carrier competitors, the intercity bus companies and the airlines. They must price their product to optimize their net operating profit.

Only Amtrak has the ability to price itself foolishly in the marketplace and turn to the government to make up the deficit incurred (such as for example, in the promotion of giving free rides to children with the presentation of three

Kellogg's box tops).

Only Amtrak can have a policy of deliberately not raising its rates to meet fully the rising costs due to inflation. This policy has been an integral part of the marketing strategy of Amtrak for several years.

There is no reason that passengers traveling by train should be spared the higher cost of inflation while bus and airline passengers are not. There is also no reason that Amtrak, as a company, need be spared the incentive to cut costs and increase operating efficiencies as a way of absorbing the higher costs of inflation.

Only Amtrak can deliberately underprice its services and turn to the government to make up the deficit resulting from that action. There is no basic reason that the rail passenger should receive heavy government subsidy at the expense of the general taxpayer when no basic public policy is served. There is no marketing reason that rail services should not be made self-sustaining on the routes where Amtrak provides an important public service, for example, in the Northeast Corridor between Washington and Boston or the Los Angeles-San Diego Corridor. There is no reason that rail passengers cannot afford to pay at least the costs incurred by Amtrak in operating its services as well as make some contribution to the cost of fixing up the Corridor.

It is not a valid market assumption that passengers will not pay compensatory rates when the service is important to them. They pay what it costs to ride the airlines and to ride the buses. There is no basic reason to believe the rail passenger will not similarly pay the cost of their trip when they go by rail, if in fact it is an essential service.

O

Amtrak could reduce its subsidy requirements drastically if it were made to charge a rate at or near its full costs of doing business. That is true, not only in the Corridor but on its longer routes throughout the country. Of course, it may lose some passengers to other common carriers, but that is better than providing subsidy to all the other passengers who ride Amtrak who would continue to ride it even at higher fares. That policy would be more in keeping with the basic philosophy which should exist in our capitalistic society. It is a more equitable transportation policy when dealing with our competitive transportation system.

Amtrak partially explains its fare policies on the basis that its traffic is rate sensitive and therefore demand is elastic. Every form of transportation has some degree of elasticity in the demand for its product, but the elasticity is not large. There is no reason to assume that its elasticity is any greater than that for the intercity bus industry. In all probability it is between the elasticity of demand for airline service and bus service. The intercity bus industry and the airlines have had to develop their pricing strategies so as to recover their full costs and demand elasticity has not prevented their doing so. I personally believe that in rail as in airline and bus travel, one can improve net operating results by charging higher rates closer to costs.

Also, regarding inflation, there may be a tendency for some small number of people to stop traveling as the basic cost of travel rises. But, fundamentally, in an inflationary period all consumer prices rise [illegible]. Inflation affects the price of virtually all consumer products as well as transportation. There is no reason why Amtrak cannot increase its rates proportionately to its increases in the cost of doing business -- as have all business including

Amtrak's competitors. Appendix 10 clearly shows that Amtrak's fares have not increased proportionately to the increases in expenses.

Appendix 11 is extremely revealing in that it shows Amtrak's and Greyhound's expenses and revenues per passenger mile in relation to the change in the Consumer Price Index (CPI) since 1972. Greyhound's increases for both expenses and revenues have followed the rise in the CPI remarkably closely. Amtrak on the other hand has increased fares at a greater rate of change than the CPI since 1976. However, the rate of change in expenses has been astronomical in relation to the CPI.

Appendix 12 further reveals how Amtrak's pricing policies have failed to conform to reality in relation to expenses. Appendices 13, 14, and 15 compare one-way fares in February 1972 to February 1978. Again, it can be seen that Amtrak has reduced fares to compete directly with intercity bus without any rational basis in relation to actual cost increases.

Amtrak's pricing policies have unquestionably diverted traffic from the intercity bus carriers. Dr. Francis Mulvey in report to the National Transportation Policy Study Commission indicates that Amtrak attracts 18% of its passengers from the bus industry on short hauls and 11% on long distance routes. A report on the Northeast Corridor Improvement Project completed by the Federal Railroad Administration entitled "Final Programmatic Environmental Impact Statement", Volume I, June 1978, states:

> "The overall diversion to rail generated in 1990 is 16 percent of the 6.7 million bus trips which would be expected without the NECIP rail improvements or 11 percent reduction from 1975 bus ridership."

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The Comptroller General's Report to the Congress on "Amtrak's Economic Impact on the Intercity Bus Industry", January 12, 1979 states:

> "The intercity bus industry competes with Amtrak for passengers, a rivalry made possible by the large Federal subsidies Amtrak receives. Competition from airlines and automobiles, however, has had a more significant long-term effect on buses as well as trains. Consequently, trains' and buses' combined share of the intercity transportation market has steadily decreased in recent years.
>
> There is little question that subsidized Amtrak service has attracted customers that would have otherwise ridden buses. Measuring this effect, however, is extremely difficult because:
>
> -- The market for intercity transportation is complex...
>
> -- The data required for a comprehensive study are lacking...
>
> -- Alternatives...to the present situation have not been established.
>
> GAO has examined four types of evidence concerning the economic impact of Amtrak on the intercity bus industry: ridership surveys, data on fares and ridership in the Northeast Corridor, the experiences of five smaller bus companies throughout the United States, and evidence from econometric and statistical studies.
>
> GAO believes that its analysis supports the following conclusions:
>
> -- Bus ridership would definitely be greater if Amtrak services were cut back or terminated. If all Amtrak services were terminated, the increase in revenue passenger miles of regular-route service of Class I bus companies could be as high as 11 percent. Less drastic changes in Amtrak policy, such as cutting back service outside of the Corridor by one-fourth, might add to bus ridership by as much as 2 percent.
>
> -- Competition between Amtrak and intercity buses is particularly keen in the Corridor, which comprises

more than a quarter of Amtrak's market. The elimination of Amtrak could result in a 15- to 30-percent increase in revenue passenger miles for the bus industry in the Corridor.

-- Amtrak's fare reductions in the Corridor have diverted riders from intercity buses and have induced bus companies to reduce fares. Lower profits have been the result.

-- In order to reestablish the fare differential that existed prior to Amtrak, Amtrak's current one-way fares (for example) would have to rise 28 percent from New York to Boston and 16 percent from New York to Washington.

-- If Amtrak fares were increased, the effect on bus company revenues would depend on how they responded to the increased fares. Most likely, bus company revenues would increase.

-- These increased revenues could come from either (1) raising fares to collect more revenue per passenger or (2) retaining current lower fares to divert Amtrak riders. The extent to which bus companies would seek higher fares or increased ridership is uncertain. It would depend on market conditions and regulatory actions.

-- The effect an increase in bus ridership would have on profits cannot be exactly determined. Bus company data indicate that the increased ridership could probably be accommodated with small increases in expenses, resulting in greater profits.

-- If, however, Amtrak limits future fare increases to increases in the Consumer Price Index, bus companies' profits could be squeezed even more."

Appendix 16 provides comparative data on the Northeast Corridor between Amtrak and intercity bus. As the data suggests, passengers have been diverted by Amtrak from the bus industry. Appendices 17 and 18 indicate that Amtrak has consistently diverted passengers from Greyhound. The number of passengers Greyhound transported between Los Angeles and San Diego dropped 17,[illegible] in [illegible] compared to 1977. Nationally, Greyhound's patronage on non-Amtrak corridors dropped only 4.3%. It can be inferred that Amtrak has gained riders at Greyhound's expense.

Greyhound's existence and the existence of the regular route intercity motor bus industry, as we know it today, depends on the carriage of passengers and revenues which are generated. Unless Greyhound and other bus companies can attract passengers at a competitive and compensatory fare, Amtrak's predatory pricing and destructive competitive effect will take its certain toll. At issue then, is the ability of Greyhound and our Nation's other regular route intercity bus companies to compete with Amtrak. The harsh reality is that there is no way that any bus company can fairly compete with an entity that can ignore the revenues at the fare box, ignore expenses and other cost considerations and set its prices at any loss figure that it desires, fully confident that the unlimited pocketbook of the federal government will keep providing and providing and providing. The waste of our Nation's valuable resources on uneconomic and unjustifiable rail operations must stop. Amtrak must have a rational role in the Nation's transportation policy, Greyhound and other intercity bus operators must similarly have a rational role. If one mode of transportation is engaged in predatory and destructive practices of other modes of passenger transportation, a balanced transportation system cannot be attained.

CONCLUSIONS

As we have documented in this statement, the intercity bus industry is truly an asset to the national transportation system. The intercity bus is the most energy efficient, least polluting, most cost effective and safest form of intercity public transportation available. The intercity bus industry continues to offer a high level of service at a fare than enables bus operators to earn a profit and make a substantial contribution to revenue needs of all levels of government through taxes and fees.

Amtrak, on the other hand, continues to incur ever-increasing deficits. No one route or train has ever shown a profit in nine years. Amtrak continues to project unrealistically low deficits year after year. Ridership gains have been at the expense of the intercity bus industry. Predatory Amtrak pricing has forced intercity bus fares to remain artificially low. The cost to the taxpayer for each ride taken on Amtrak continues to increase (Appendix 19).

It is important to recognize that Greyhound is not opposed to the development and expansion of services in the Northeast Corridor. As it has been clearly documented in the past, special conditions in the Northeast Corridor justify frequent and fast rail passenger service. The population density and socio-economic characteristics of the Northeast Corridor between Boston, New York and Washington, D.C. provide the environment to justify a high level of rail passenger service. Those unique circumstances present in the Northeast Corridor which are used to justify a high level rail service are nowhere else present in the United States.

Greyhound is adamantly opposed to expansion of other rail corridors throughout the country which cannot be justified on the basis of economic need or travel demand. In an era of heightened interest in government economy and fiscal conservatism, particularly as exemplified by the enlightened actions of the citizens of the State of California in limiting government spending, it is difficult to justify expenditures of the magnitude implied by H.R. 5403. We can conceive no rationale for embarking upon a course which in this state alone could lead to the expenditure of several billion dollars, particularly when the traveling public could be accommodated on another mode - intercity bus, at virtually no cost to the government, lower fares to the public, less pollution and greater energy efficiency.

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APPENDIX I

BUS/AIR/RAIL COMPARISONS - 1978

Points Served

Bus	The Official Bus Guide lists over 15,000 points served by bus, more than 14,000 of which have no other form of public transportation service.
Amtrak	543 locations
Greyhound	Serves substantially more than twenty-five times as many points as Amtrak
Air	700 airports

Passengers Carried

Amtrak	18.9 million
Intercity Bus	335 million
Greyhound	48 million
Airlines (1) (certificated and supplemental)	297.0 million

Federal Subsidies

Amtrak	$587 million ($1.6 million per day)
Air (Domestic)	$73 million
Intercity Bus	-0-

Energy Comparisons (2)	Passenger miles per gallon
Airplane	[illegible]
Automobile	[illegible]
Intercity Bus	[illegible]
Amtrak	[illegible]

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(1) Source: Air Transport - 1979
(2) Source: Oak Ridge National Laboratory Study for the Department of Energy, January 1979.

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January 31, 1980

Appendix D

AMTRAK STATISTICS

	FY 1971 May [illegible]	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	Transition Quarter	FY 1977	FY 1978
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Expenses (Thousands $)	45,344	306,208	319,107	439,931	559.810	674,308	193,166	847,945	900,694
Deficits (Thousands $)	22,700	153,500	141,800	197,900	313,350.	406,270	113,723	536,673	587,692
No. of Passengers (Thousands)	2,583	16,182	17,091	17,950	17,337	17,043	4,835	19,207	18,919
% of Expenses Covered by Revenues	49.9	49.9	55.6	55.0	44.0	39.8	41.1	36.7	34.8
Average Revenue per Passenger ($)	8.77	9.44	10.37	13.48	14.22	15.73	16.43	16.21	16.54
Average Cost (Expense) per Passenger ($)	17.56	18.02	18.67	24.51	32.29	39.57	39.95	44.15	47.60
Average Cost to the Taxpayer per Passenger ($)	8.79	9.48	8.30	11.03	18.07	23.84	23.52	27.94	31.06
Taxpayer Average Cost per Day ($ Millions)	.371	.419	.384	.542	.858	1.110	1.236	1.470	1.610

Sources: Amtrak reports to the Interstate Commerce Commission, Amtrak Five Year Corporate Plan, Fiscal Years 1978-1982, and Annual Reports to the President and the Congress on the Effectiveness of the Act, Amtrak, Interstate Commerce Commission

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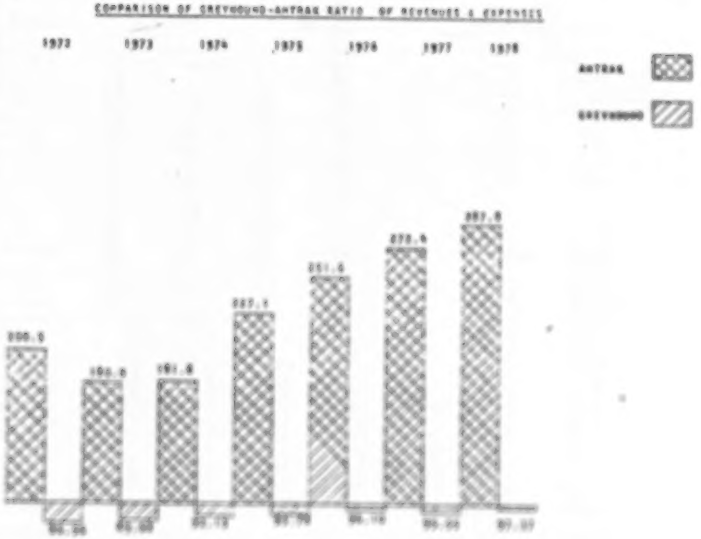
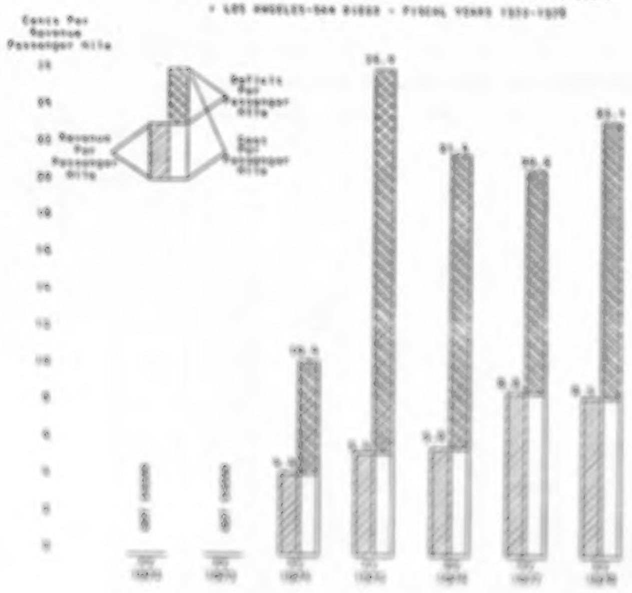
APPENDIX 3



Sources: Annual R-1 Reports to I.C.C.

APPENDIX 4

AMTRAK FARE POLICY IS NOT DESIGNED TO RELATE FARES TO COSTS
- LOS ANGELES-SAN DIEGO - FISCAL YEARS 1972-1978



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APPENDIX 5

Examples of Some of the Major Points Where
Bus Fares Have Been Reduced Because Of
AMTRAK's Reduction of Rail Fares

[illegible]

APPENDIX 6

Amtrak Bicentennial Coach Excursion Fares Between Boston, Mass. and Washington D.C. Effective September 8, 1975 Resulted In The Bus Lines Reducing One-Way And Round-Trip Fares As Follows:

Between	And	AMTRAK REGULAR FARE		AMTRAK EXCURSION FARE		BUS LINES REGULAR FARE		BUS LINES REDUCED FARE		AMOUNT OF REDUCTION NECESSARY TO REMAIN COMPETITIVE WITH AMTRAK	
		OW	RT	OW	RT	OW	RT	OW	RT	OW	RT
Boston, Mass.	Washington, D.C.	$29.00	$58.00	$25.00	$40.00	$29.90*	$55.85	$24.95	$39.95	$4.95	$16.90
Boston, Mass.	Baltimore, Md.	26.50	53.00	25.00	40.00	27.15**	51.60	24.95	39.95	2.20	11.65
Springfield, Mass.	Washington, D.C.	25.50	51.00	25.00	40.00	24.85	47.25	- -	39.95	- -	7.30
Springfield, Mass.	Baltimore, Md.	23.50	47.00	- -	40.00	22.00	41.80	- -	39.95	- -	1.85
Hartford, Conn.	Washington, D.C.	24.25	40.50	- -	40.00	23.35	44.40	- -	39.95	- -	4.45
Providence, Md.	Washington, D.C.	26.50	53.00	25.00	40.00	27.95	53.15	24.05	39.95	3.00	13.20
Providence, Rd.	Baltimore, Md.	24.00	40.00	25.00	40.00	25.40	48.30	24.95	39.95	0.45	8.35

*Reduced Bus Fare of $20.95 Filed Effective 7-1-75 to Meet Amtrak Fare
**Reduced Bus Fare of $26.45 Filed Effective 7-1-75 to Meet Amtrak Fare

APPENDIX 7

Comparison of Amtrak One-Way Fares In Effect In 1972 (Which Was When Rail Service Was Discontinued Between Points Shown Below,) To Those Fares Effective October 31, 1975 (When Service Was Again Established). Also, Shown Is a Comparison Of The Amtrak And Bus One-Way Fares Which Reveal That When Rail Service Was Again Established October 31, 1975 It Was Necessary That The Bus Lines Reduce Fares Substantially To Remain Competitive.

		ONE-WAY FARES SHOWN					
		AMTRAK FARES			BUS FARE		
Between - - - - -	And	Jan. 1972	10/31/75	Amount 10/31/75 Amtrak Fare lower than 1972 Amtrak Fare	10/31/75	Bus Lines Reduced Fare	Amount Of Reduction To Meet Amtrak Reduced Fares Eff. 10/31/75
Cleveland, OH	Erie, PA	$ 5.50	$ 5.25	$ .25	$ 7.15	$ 5.20	$1.95
Cleveland, OH	Buffalo, NY	10.75	10.00	.75	11.80	9.95	1.85
Cleveland, OH	Rochester, NY	14.50	14.00	.50	16.85	13.95	2.90
Cleveland, OH	Albany, NY	27.50	26.50	1.00	28.70	26.45	2.25
Cleveland, OH	Chicago, IL	19.75	18.00	1.75	21.70	17.95	3.75
Buffalo, NY	Chicago, IL	30.25	27.50	2.75	33.10	27.45	5.65
Rochester, NY	Chicago, IL	33.75	31.50	2.25	38.30	31.45	6.85
Albany, NY	Chicago, IL	46.25	44.00	2.25	50.00	43.95	6.05
Buffalo, NY	Toledo, OH	16.75	15.50	1.25	18.65	15.45	3.20
Rochester, NY	Toledo, OH	20.75	19.50	1.25	23.60	19.45	4.15

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APPENDIX 8

Comparison of Amtrak Off-Peak Round-Trip Coach Excursion Fares On The Boston/Springfield, Mass. - Washington, D.C. Lines, The Bus Lines Regular Fares And Reduced Fares Necessary To Remain Competitive With Amtrak Effective February 15, 1976

Between	And	AMTRAK FARE		BUS LINES		AMOUNT OF REDUCTION NECESSARY TO REMAIN COMPETITIVE WITH AMTRAK
		ROUND-TRIP COACH FARE	OFF PEAK ROUND-TRIP COACH FARE	REGULAR ROUND TRIP FARE	REDUCED ROUND TRIP FARE	
Boston, Mass.	New London, Conn.	$16.00	$12.00	$15.15	$11.95	$3.20
Boston, Mass.	New York, NY	31.00	23.50	27.75	21.90	5.85
Boston, Mass.	Philadelphia, Pa.	45.50	34.50	40.20	31.75	8.45
New York, NY	Providence, RI	27.00	20.50	23.05	18.05	5.00
New York, NY	Hartford, Conn.	16.50	12.50	15.30	12.10	3.20
New York, NY	Philadelphia, Pa.	14.50	11.00	13.05	10.30	2.75
New York, NY	Baltimore, Md.	28.00	21.00	24.65	19.45	5.20
New York, NY	Washington, D.C.	32.00	24.00	29.95	23.65	6.30
Philadelphia, Pa.	Baltimore, Md.	15.00	11.50	13.60	10.75	2.85
Philadelphia, Pa.	Washington, D.C.	20.00	15.00	17.50	13.80	3.70
Baltimore, Md.	Washington, D.C.	7.00	5.30	6.10	4.80	1.30

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APPENDIX 9

Comparison of Some Amtrak One Way Reduced Fares Between Chicago, Ill., On The One Hand, And Miami, Orlando/St. Petersburg, Fla., On The Other And The Amount Of Reduction On One Way Bus Fares Necessary To Remain Competitive With Amtrak Effective February 15, 1976.

Between	And	AMTRAK FARES Regular One Way Fare	AMTRAK FARES Reduced One Way Fare	BUS FARES Regular One Way Fare	BUS FARES Reduced One Way Fare	BUS FARES Amount Of Reduction To Meet Amtrak Reduced Fare
Chicago, Ill.	Miami, Fla.	$74.00	$49.90	$68.90	$49.05	$19.05
Chicago, Ill.	Tampa, Fla.	67.00	49.90	62.00	49.05	12.15
Chicago, Ill.	Orlando, Fla.	63.00	49.90	60.25	49.05	10.40
Chicago, Ill.	Jacksonville, Fla.	56.00	49.90	54.85	49.05	5.00

Comparison Of Some Amtrak Round Trip Excursion Fares Effective February 15, 1976 on Their Nashville, Tenn. - Miami/St. Petersburg, Fla. Route And The Amount Of Reduction On Round Trip Bus Fares Necessary To Remain Competitive With Amtrak.

Between	And	AMTRAK FARES Regular Round Trip Fare	AMTRAK FARES Round Trip Excursion Fare	BUS FARES Regular Round Trip Fare	BUS FARES Reduced Round Trip Fare	BUS FARES Amount Of Reduction To Meet Amtrak Reduced Fare
Nashville, Tenn.	Montgomery, Ala.	$32.00	$24.00	$31.10	$23.95	$ 7.15
Nashville, Tenn.	Jacksonville, Fla.	65.00	49.00	61.10	48.95	12.15
Nashville, Tenn.	Tampa, Fla.	80.00	66.00	82.85	65.95	16.90
Nashville, Tenn.	West Palm Beach, Fla.	92.00	69.00	91.15	68.95	22.20
Nashville, Tenn.	Miami, Fla.	99.00	75.00	96.15	74.95	21.20
Birmingham, Ala.	Miami, Fla.	79.00	60.00	70.30	59.95	10.35
Montgomery, Ala.	Miami, Fla.	75.00	57.00	71.45	56.95	14.50

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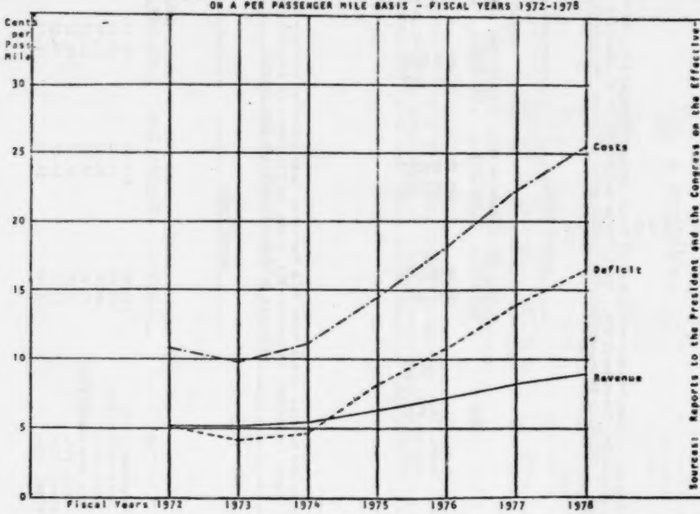
APPENDIX 10

AMTRAK FARE POLICY IS NOT DESIGNED TO RELATE FARES TO COSTS

COMPARISON OF AMTRAK SYSTEM REVENUES, EXPENSES AND DEFICITS
ON A PER PASSENGER MILE BASIS - FISCAL YEARS 1972-1978



Sources: Reports to the President and the Congress on the Effectiveness of the Act, Amtrak, Interstate Commerce Commission

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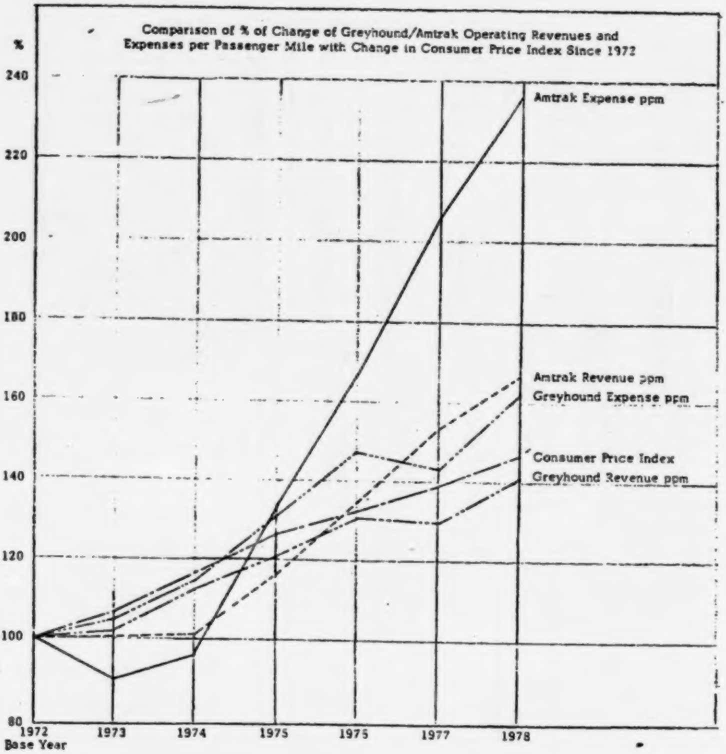
APPENDIX 11



Comparison of % of Change of Greyhound/Amtrak Operating Revenues and Expenses per Passenger Mile with Change in Consumer Price Index Since 1972

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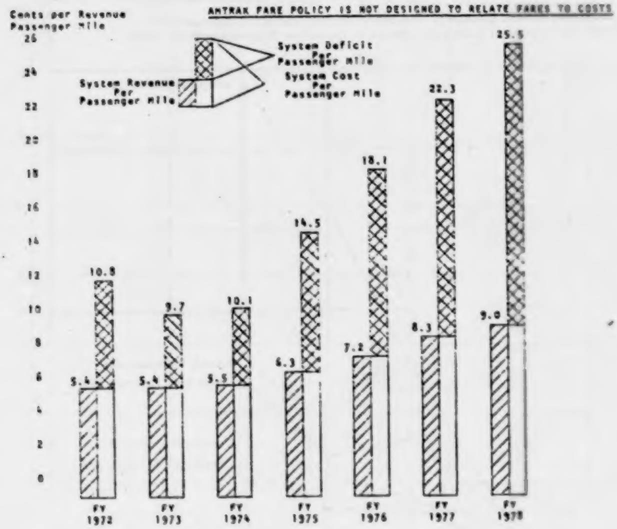
APPENDIX 12

AMTRAK FARE POLICY IS NOT DESIGNED TO RELATE FARES TO COSTS



Sources: Reports to the President and the Congress on the Effectiveness of the Act, Amtrak, Interstate Commerce Commission

APPENDIX 13

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A Comparison of Typical Intercity Bus and AMTRAK One-Way Fares
February 1972 and 1978

	February 16, 1972		February 10, 1978	
	Bus	AMTRAK	Bus	AMTRAK
New York, N. Y. -				
Boston, Mass.	$10.45	$12.75	$20.40	$19.50
Philadelphia, Pa.	4.85	5.25	9.40	9.25
Washington, D. C.	11.20	13.00	20.95	20.50
Pittsburgh, Pa.	19.10	25.25	33.85	33.00
Miami, Fla.	52.45	59.01	88.30	86.00
Buffalo, N. Y.	19.40	22.75	36.10	34.40
Chicago, Ill.	36.40	51.25	64.30	56.00
Chicago, Ill. -				
St. Louis, Mo	$11.05	$13.50	$19.55	$19.50
Kansas City, Mo.	15.75	17.00	33.20	32.50
Milwaukee, Wis.	3.70	4.00	6.55	6.25
Minneapolis, Minn.	13.25	17.50	23.45	32.50
Detroit, Mich.	12.70	16.25	22.45	20.50
Cincinnati, Ohio	13.80	17.00	24.40	20.50
New Orleans. La.	31.90	45.00	56.40	54.00
New Orleans, La.				
Memphis, Tenn.	$18.75	$19.00	$33.20	$30.00
Los Angeles, Calif.				
San Diego, Calif.	$4.63	$4.75	$7.48	$9.00
San Francisco, Calif.	13.56	21.00	21.72	26.50
Phoenix, Ariz.	15.95	19.25	25.25	33.00
Seattle, Wash.	38.50	57.25	68.20	80.00
Seattle, Wash.				
Portland, Ore.	$5.40	$6.75	$9.60	$11.75

Sources: Bus and AMTRAK tariffs.

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APPENDIX 14

A Comparison of Typical Intercity Bus and AMTRAK Round Trip and Excursion Fares*
February 1972 and 1978

	February 16, 1972		February 10, 1978	
	Bus	AMTRAK	Bus	AMTRAK
New York, N. Y. –				
Boston, Mass.	$19.90	$19.80	$19.00	$20.00
Philadelphia, Pa.	9.25	10.50	17.90	14.00
Washington, D. C.	21.30	26.00	39.85	31.00
Pittsburgh, Pa.	36.30	50.50	64.35	38.00
Miami, Fla.	86.55	96.68	99.00	87.00
Buffalo, N. Y.	36.90	45.50	58.85	46.00
Chicago, Ill.	69.20	102.50	80.00	61.00
Chicago, Ill. –				
St. Louis, Mo.	$21.00	$27.00	$37.15	$29.50
Kansas City, Mo.	35.65	34.00	63.10	65.00
Milwaukee, Wis.	7.05	7.90	11.50	12.50
Minneapolis, Minn.	25.20	35.00	44.60	49.00
Detroit, Mich.	34.15	32.50	42.70	31.00
Cincinnati, Ohio	26.25	34.00	46.40	31.00
New Orleans, La.	60.65	68.00	88.00	64.00
New Orleans, La.				
Memphis, Tenn.	$25.65	$29.00	$63.10	$40.00
Los Angeles, Calif.				
San Diego, Calif.	$7.85	$9.50	$14.21	$14.50
San Francisco, Calif.	24.41	32.00	41.27	53.00
Phoenix, Ariz.	30.35	38.50	53.70	66.00
Seattle, Wash.	73.15	114.50	110.00	129.00
Seattle, Wash.				
Portland, Ore.	$8.30	$8.95	$13.25	$18.00

*The lower of round-trip or excursion fare.
Sources: Bus and AMTRAK tariffs.

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APPENDIX 15

Comparison of Average Fares in Representative Markets
AMTRAK and Intercity Buses
February 1972 and February 1978

	Bus	AMTRAK	Percent AMTRAK Greater Than Bus
		Average One-Way Fare	
1972	$17.78	$22.38	+ 25.9
1978	$31.39	$31.72	+ 1.1
Percent Increase	76.5	42.0	
		Average Round-Trip or Excursion Fare	
1972	$32.95	$41.12	+ 24.8
1978	$50.65	$44.98	- 11.2
Percent Increase	53.7	9.4	

Source: Tables I and II.

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1/11/80

APPENDIX 16

COMPARATIVE PERFORMANCE PRINCIPAL NORTHEAST CORRIDOR BUS OPERATIONS WITH REMAINDER OF COUNTRY
1971 - 1976

Principal Carriers

Passenger Miles

Northeast Corridor	-25.8%
Other parts of country	- 9.2%
Total Country	-11.0%

Passengers

Northeast Corridor	-27.4%
Other parts of country	-11.5%
Total Country	-13.1%

Bus Miles

Northeast Corridor	-16.8%
Other parts of country	- 6.5%
Total Country	- 7.5%

Revenues

Northeast Corridor	- 1.9%
Other parts of country	+22.5%
Total Country	+19.6%

Average Load

Northeast Corridor	-10.7%
Other parts of country	- 2.6%
Total Country	- 3.6%

Average Revenue Per Bus Mile

Northeast Corridor	+17.9%
Other parts of country	+31.1%
Total Country	+29.3%

NOTE: ABA (Bus Facts, Carrier records, and reports to the Interstate Commerce Commission)

Greyhound Lines, Inc.
1/11/80

COMPARISON OF RIDERSHIP ON ROUTES COMPETITIVE WITH AMTRAK

WITH REMAINDER OF GREYHOUND SYSTEM

FOR YEARS 1972 - 1978 INCL.

Between	And	1972	1973	1974	1975	1976	1977	1978
Los Angeles	- San Diego	1,659,322	1,625,303	1,570,247	1,319,744	1,167,682	958,379	788,667
% change over previous year		(Avg 8.7)	(2.1)	(3.4)	(16.0)	(11.5)	(17.9)	(17.7)
Portland	- Seattle	347,030	339,132	321,272	286,526	242,694	256,613	236,161
% change over previous year		(Avg 5.3)	(2.3)	(5.3)	(10.8)	(15.3)	5.7	(8.0)
Chicago	- Milwaukee	270,535	282,518	263,521	211,303	184,003	173,604	163,662
% change over previous year		(Avg 6.6)	4.4	(6.7)	(19.8)	(12.9)	(5.7)	(5.7)
Chicago	- St. Louis	444,301	456,968	447,745	398,938	373,917	374,104	332,669
% change over pevious year		(Avg 4.2)	2.8	(2.0)	(10.9)	(6.3)	---	(11.1)
Chicago	- Detroit	311,015	322,270	312,158	268,312	247,840	233,323	219,406
% change over previous year		(Avg 4.9)	3.6	(3.1)	(14.0)	(7.6)	(5.9)	(6.0)
Total Amtrak Corridors		3,032,283	3,026,191	2,914,143	2,484,023	2,216,136	1,996,023	1,740,565
% change over previous years		(Avg 7.1)	(0.2)	(3.7)	(14.7)	(10.8)	(9.9)	(12.8)
System Mainline (Excluding Amtrak Corridors)		58,547,548	57,461,114	57,718,462	51,179,497	47,375,868	46,814,001	44,782,906
% change over previous years		Avg (3.9)	(1.9)	0.4	(11.3)	(7.3)	(1.2)	(4.3)

APPENDIX 17

Greyhound Lines, Inc.
1/11/80

COMPARISON OF PASSENGER MILES ON ROUTES COMPETITIVE WITH AMTRAK

WITH REMAINDER OF GREYHOUND SYSTEM

FOR YEARS 1972 -1978, INCL.

(000)

Between	And	1972	1973	1974	1975	1976	1977	1978
Los Angeles	- San Diego	136,521	130,557	127,228	104,236	91,029	74,811	58,916
% change over previous year (Avg 9.5)			(4.4)	(2.5)	(18.1)	(12.7)	(17.8)	(21.2)
Portland	- Seattle	42,827	40,685	37,572	33,588	29,201	25,237	22,880
% change over previous year (Avg 7.8)			(5.0)	(7.7)	(10.6)	(13.1)	(13.6)	(9.3)
Chicago	- Milwaukee	21,804	23,601	21,320	17,154	14,988	14,239	13,417
% change over previous year (Avg 6.4)			8.2	(9.7)	(19.5)	(12.6)	(5.0)	(5.8)
Chicago	- St. Louis	102,397	107,393	104,971	92,198	83,497	82,710	74,294
% change over previous year (Avg 4.6)			4.9	(2.3)	(12.2)	(9.4)	(0.9)	(10.2)
Chicago	- Detroit	70,903	72,786	70,277	59,971	53,395	49,143	45,113
% change over previous year (Avg 6.1)			2.7	(3.4)	(14.7)	(11.0)	(8.0)	(8.2)
Total Amtrak Corridors		374,452	375,022	361,368	307,147	272,290	246,140	214,620
% change over previous year (Avg 7.1)			0.2	(3.6)	(15.0)	(11.3)	(9.6)	(12.8)
System Mainline (Excluding Amtrak Corridors)		8,343,961	8.524,857	8,811,884	7,793,106	7.133,957	7.649.167	7,248,542
% change over previous year (Avg 2.2)			2.2	3.2	(11.6)	(8.5)	7.0	(9.5)

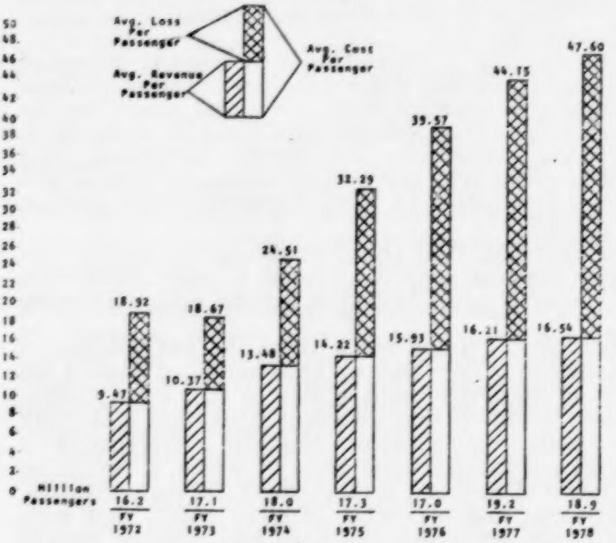
APPENDIX 18

Greyhound Lines, Inc.
1/11/80

APPENDIX 19

AMTRAK'S REVENUES, EXPENSES, AND DEFICITS AS AVERAGES PER PASSENGER

AMTRAK SYSTEM - FISCAL YEARS 1972-1978



Sources: Amtrak Reports to Interstate Commerce Commission and Reports to the President and the Congress on the Effectiveness of the Act, Amtrak. Interstate Commerce Commission

Mr. FLORIO. As you pointed out, the Northeast corridor has some unique questions. In terms of these hearings and the deliberation of Congress, it is to determine if there are any other corridors that have similar characteristics so as to justify the development of that corridor for passenger traffic.

We appreciate your position and your thoughts on that, and thank you for your testimony.

Our next witness is Mr. Clark Tyler, vice president of Passenger Services and Communications of the National Railroad Passenger Corporation. Mr. Tyler.

STATEMENT OF CLARK TYLER, GROUP VICE PRESIDENT, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Mr. TYLER. Mr. Chairman, I have a statement which I will submit for the record and instead of going over it in any detail I would just like to summarize a few of the main points.

Mr. FLORIO. I appreciate that.

Mr. TYLER. Not wanting to respond point by point to several of the criticisms, I would point out that for the Los Angeles-San Diego corridor, to answer your question about the modal share, the figures I have come from a Peat Manwick and Mitchell study which is being done in connection with this corridor legislation. As I understand it, the modal split in terms of passenger miles is 93.5 percent for private automobile; 1.6 percent intercity bus; 3 percent, airplanes; and 1.9, rail.

With the energy crisis, it is the diversion of those from the automobile that is the great hope of all forms of public transportation. And that is exactly what Amtrak is gearing up to be responsive to.

The only other point I would make about the bus industry—I was of course delighted to hear that we have unlimited funds; I am not sure you would share that point of view or that the Appropriations Committees would—is that President Alan Boyd of Amtrak has initiated a meeting with President Nageotte of Greyhound on January 30 to discuss exactly those areas of where we might be cooperative in terms of terminal arrangements, through ticketing, marketing procedures, and a number of other points that were briefly touched on by Mr. Stage. We have also initiated equally high-level conversations with Trailways to look at exactly the same matters.

These are not conceptual types of meetings; they will be specific in terms of how we can relate to the other means of public transportation in an energy conscious America.

It is a great pleasure for me to testify on behalf of Amtrak before this committee and to recognize the leadership of Congressman Van Deerlin who has taken a very strong initiative in terms of this particular corridor, which is perhaps in many ways the most successful of all the ones Amtrak operates.

Amtrak is supportive and indeed enthusiastic about the concept of emerging corridors because of what has been demonstrated and what we believe will be demonstrated in the Northeast corridor project.

The idea of increasing speeds, increasing frequencies, and reaching out to more and more riders is, needless to say, a very attractive one. I would point out that in the Northeast corridor there has been a 23-percent decline in the sale of gasoline. That should be the goal in all of these corridor situations, assuming that the demand is indeed there.

There are a number of reasons why the Los Angeles-San Diego corridor is a winner, not the least of which is the incredibly progressive support that Amtrak has received from the State of California. To a certain extent, we may be a little spoiled by the circumstances in the Los Angeles-San Diego area or by the various trains that we operate in California. California has probably done more than any other State in terms of its support both in dollars and policy.

We look to our relationship with the States as one of the great hopes in making sense out of rail passenger transportation and to achieve the kinds of service and funding arrangements that will be necessary in the years ahead.

I would be remiss if I did not point out in response to other testimony about the Santa Fe Railroad exactly what is happening with the Santa Fe Railroad. I feel that I may be slightly responsible for their not being here in force today because, at exactly this time, we are meeting with their president, Mr. Cena, their operating people and several others in Chicago to talk about this corridor.

We received a communication from the Santa Fe Railroad saying that they had serious problems with the inauguration of a seventh train or any other frequencies on the Los Angeles-San Diego corridor. I guess in years past it would have been left at that or turned over to the lawyers or the arbitrators. However, Mr. Boyd called Mr. Reed, the chairman of the board of Santa Fe and, subsequently Mr. Cena, to initiate a series of discussions so that we might together and with Caltrans investigate exactly their point of freight congestion, operational problems between Fullerton and Los Angeles, and any other problems that they may have with increased passenger services.

These meetings today will set the ground rules for a physical inspection of the track and the plant on Wednesday of this week. I am very hopeful that these discussions will be productive. And I think that Caltrans will certainly be involved, I will be involved, and our engineers from Amtrak along with the executives of the Santa Fe and the engineers of the Santa Fe. Hopefully, this type of discussion will point the way toward the kind of relationship that is absolutely critical to Amtrak in terms of our relationship with the railway industry. We depend upon the operating railroads 100 percent for whatever happens, whether it is in this corridor or any corridor, or on our long-distance trains.

We have several tools that are at our disposal to use, not the least of which is a legal one which we have employed on a route-specific basis with the Southern Pacific. But we look at the opportunity to negotiate and to understand their problems as a much more productive one. I am hopeful that in the months and, indeed, years ahead, as rail passenger transportation is expanded in response to the energy crisis, that we will have a much better relationship with the railroad industry.

We have received several indications from the railroad industry that they are anxious to operate in exactly that fashion. And I hope the negotiations, with respect to the Los Angeles-San Diego corridor, will indeed be a model as to how we will operate.

In terms of the emerging corridor principle, the committee has asked a number of specific questions, some of which go to preliminary figures. I would defer on some of that. There will be testimony from Mr. Lou Thompson of the Federal Railroad Administration tomorrow. He will get into more of the design of the study and how the numbers are being assembled. I would like to have our engineers look at the numbers before I discuss them publicly. Some of them in the route restructuring, as I am sure you know, changed almost on an hourly basis. And I am a little nervous about presenting such very preliminary numbers in terms of the California corridors.

We will have that study done. It is a joint study, as you know, by Amtrak and DOT. It will be completed by January 30. The numbers will by then have been subject to some scrutiny by our engineering and operating people and there will be a certain degree of validity to them at that time.

[Testimony resumes on p. 115.]

[Mr. Tyler's prepared statement follows:]

TESTIMONY OF
CLARK TYLER
GROUP VICE PRESIDENT
NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)
ON EMERGING CORRIDORS
BEFORE THE HOUSE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES
SAN DIEGO, CALIFORNIA
JANUARY 14, 1980

Amtrak Testimony on Emerging Corridors before the Florio Subcommittee

I am pleased to be before the Committee, especially to talk about the prospects of a creative, forward-looking future role for Amtrak. It is refreshing after a difficult year of focusing on the simple survival of our intercity passenger system to look at ways to build on the basic system, not just fight for its existence.

The subject of this hearing is very much in keeping with Amtrak's own vision of our future role. In the course of the past few months we have undertaken an intensive analysis of our current and future operations in light of the fact that the actions taken by the Congress last year now, finally, give us a firm basic system and a firm future. We have asked ourselves:

--How can we provide the greatest service to the public as a whole by maximizing the utilization of equipment, capital investments (including track, stations, and maintenance facilities), the inplace management structure needed to support our current operations, and other support systems (such as marketing, reservations, commissaries)?

--How should we spend the marginal capital and operating dollar in the years ahead?

--How can we diversify our revenue base and increase our revenues in order to pursue the goal we share with the Congress of improving our revenue to cost ratio?

--At a time of increasingly acute energy problems throughout the country, how can Amtrak best provide dependable, attractive, energy-efficient alternatives to the automobile? How can Amtrak modify its own operations to ensure maximum energy efficiency?

There is no doubt in our minds that one of the most attractive ways to address these questions is to move toward the provision of increased frequencies of passenger rail service, at high speed, between selected, frequently travelled, heavily populated city pairs. Based on our experience in the Northeast Corridor, in the provision of service between Los Angeles and San Diego and elsewhere and on the basis of the preliminary findings of a joint DOT/Amtrak study now underway at the request of this Committee, the prospects of attracting increased ridership and of improving our revenue to cost ratio in the process are great.

Looking at our experience here in the Los Angeles-San Diego corridor, for example these projections are born out. Prior to September, 1976 Amtrak provided three round trips per day between the two cities. A fourth round trip was added that month. A fifth frequency was added in April, 1977 and a sixth in February, 1978. Both ridership and our revenue to cost ratios improved significantly as the increased frequencies were introduced between the two cities. In fiscal year 1975 (the last full year with only three frequencies) Amtrak experienced revenue to cost ratios between the two cities of 22 percent. By Fiscal Year 1979 (with six round trips daily) the revenue to cost ratios had improved to 47 percent. We also experienced a dramatic improvement in passenger miles as compared to train miles. PM/TM improved from 100 in 1975 to 163 in 1979. There was a similar improvement in passenger miles between 1975 and 1979 from 30.6 million PM to 89.4 million PM. The following table portrays this change.

Table I

	LA to San Diego		Rest of Amtrak Short Haul Trains (not including Northeast Corridor or LA/S	
	1975	1979	1975	1979
Revenue	$1.5 million	$7.1 million*	$21.4 million	$36.7 million*
Cost	$6.7 million	$14.9 million	$67.0 million	$95.9 million
Revenue/Cost Ratio	22%	47%	32%	38%
Passenger Miles	30.6 million	89.4 million	369.6 million	446.6 million
Passenger Miles/ Train Miles	100	163	NA	88.9

*Includes 403(b)

Clearly one of the most important reasons for the improvement in the revenue to cost ratio as train frequencies increase is that many of the costs necessary to operate relatively few frequencies increase only slightly when those frequencies are increased. Amtrak costs for such items as station maintenance and personnel, equipment, advertising, and management supervision remain relatively constant as frequencies are increased. This improved utilization of fixed cost items is one of the most appealing features of the emerging corridor concept. The following tables show the improved utilization of equipment and the nearly constant station personnel requirements as frequencies were added between Los Angeles and San Diego.

Table II

Equipment Utilization

Los Angeles - San Diego Route

Date	Round Trips	Sets	Equipment Type
8/76 and Prior	3	2	Amfleet
9/76	4	3	Amfleet
4/77	5	4	Amfleet
2/78	6	5	4 Amfleet, 1 Steam
8/78	6	4	Amfleet

Table III

Station Staffing Levels

Los Angeles - San Diego Route

Station	Additional Manning Required 4th Round Trip	 5th Round Trip	 6th Round Trip
Los Angeles	-	-	-
Fullerton	-	**	**
Santa Ana	-	-	-
Oceanside	-	-	-
Del Mar	-	1*	-
San Diego	-	-	-

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*Added permanently 6/77

**Added positions summer only

Because we are operating over the track of the Santa Fe rather than our own track, the mileage charges for maintenance-of-way increase in accord with the introduction of additional frequencies. . If it were our own right of way, these costs per unit would also improve as frequencies increase.

The improvement in Revenue Passenger Miles (Table I) documents that as the frequency of trains doubled, our total number of passenger miles tripled.

The success story involving the Los Angeles to San Diego service offers us numerous lessons as we think about expanding and upgrading passenger rail service in other transportation corridors. Our experience here suggests that, wherever possible we should:

--Increase the frequency and reliability of passenger rail service within heavily populated transportation corridors;

--Focus on those corridors where Amtrak already provides intercity service so that capital investments already made or contemplated can be mined for their full ridership and revenue potential;

--Use existing stations and facilities now part of our intercity service infrastructure to support the expanded frequencies as much as possible;

--Maximize the use of existing train sets and ensure the maximum benefit out of any new equipment purchases by increasing the number of train frequencies within selected corridors to the point where equipment is being fully utilized;

--Coordinate the schedules of long-distance passenger trains passing through a selected corridor with the service provided by shorter-haul corridor-specific trains.

In addition to these generally applicable lessons we should also be mindful of the special circumstances in the Los Angeles to San Diego corridor which contributed to the success of our service here. To the extent that we can find similar circumstances in other potential corridors (or to the extent that any emerging corridors program can serve as a catalyst to create these circumstances) the prospects of duplicating the success of this corridor elsewhere will be greatly enhanced. The special conditions here include:

-- track in relatively good condition, ready for high-speed operation, thereby reducing capital costs and minimizing the time and the disruption connected with track upgrading);

-- active participation and interest by the state government, backed up by substantial financial and policy support;

-- great and growing interest in this intercity service on the part of local governments at both ends and all along the route;

-- a financially healthy and well-managed railroad with which to deal;

-- major population centers at each end of the corridor and an existing pattern of travel along the corridor for both personal and business purposes (ranking all U.S. cities on total travel, Los Angeles ranks #1 and San Diego ranks #4 according to the U.S. Census Bureau);

-- relatively high cost for other modes of public transportation between the cities at the end of the corridor and a near saturation of the available seats offered by those other modes.

Amtrak strongly believes that there is a great potential for replicating the experience of Los Angeles-San Diego in other corridors but that the prospects for realizing that potential will greatly depend on our ability to capitalize on or create the kinds of opportunities which I have been discussing for the past few minutes. While more work must be done before we could suggest specific details of an emerging corridor program, we are convinced that any such program should include provisions designed to:

--establish criteria for the selection of corridors deserving priority federal support;

--provide inducements for non-federal participation in the capital and/or operating investments connected with providing service in selected corridors;

--create a funding arrangement that permits program expansion as dictated by federal resources, unemployment rates, energy conservation priorities;

--create a fund for the purchase of equipment to provide expanded service in selected corridors;

- -- provide inducements to the operating railroads to meet their legal and contractual obligations regarding track maintenance, scheduling of additional frequencies of trains, and on-time performance; and

- -- define clear management, operating, and financial responsibility so that accountability can be clear and so that work can progress as expeditiously and economically as possible;

I want the Committee to know today that, speaking on behalf of Amtrak, we are most eager to engage in an agressive effort to prepare for and provide the kind of high-speed, multiple frequency passenger rail service we are discussing in several promising short-haul transportation corridors. We believe that the route restructuring of 1979 and our experience in the Los Angeles-San Diego Corridor, the Northeast Corridor, and elsewhere clearly suggests that our future lies in the provision of such service. We want to work with you to make it happen. The scope and pace of our efforts will be governed by the results of our joint study with DOT on emerging corridors due to be delivered to this committee at the end of this month. Amtrak is ready and eager to be helpful to you as you put a program together both now and following the submittal of that joint report.

Mr. FLORIO. Do you know if your people have looked at the California studies? We had testimony this morning about a $70 million figure for the upgrading of the corridor from Los Angeles to San Francisco.

Mr. TYLER. They have looked at an earlier Caltrans study done in that area. I am not sure whether they have investigated such things as the tunneling that was talked about. There are a number of connections referred to in the Caltrans' study that Amtrak has reviewed, for instance, the one between Mojave and Los Angeles under the Bakersfield extension.

There is another series of adjustments in the Sacramento area they have also examined. We will be dealing with Caltrans' engineers as well on that point.

Mr. FLORIO. We are hopeful Mr. Thompson can perhaps be of assistance in providing us with his evaluation on not only his own study but perhaps the California study as well.

Mr. TYLER. I think he can. I would urge caution on the preliminary nature of not only the demand figures but some of the cost estimates. I think we will know more on Wednesday when we talk to the Santa Fe in terms of what is required to get this corridor.

But there will be a number of cost factors that we will talk about on Wednesday to do with sidings, extra trackage, and the means of getting around the freight congestion as the Santa Fe sees it. It is one thing to deal with the Santa Fe and Union Pacific and something else to deal with the Southern Pacific who has more traditionally been opposed to any sort of passenger service.

We are hopeful we will find a way of dealing with the Southern Pacific in terms of routes we run not only in California but any east from California. In terms of some of the more general principles that might apply to the emerging corridor legislation, and what we are anxious to achieve, I don't want to appear to be setting my sights too low, but to talk in terms of 110 or 120 mile per hour speeds everywhere I believe is unrealistic. Our immediate goal is based on congressional guidance that was given to Amtrak this year to get its average speed up to at least 55 miles an hour; that is the average speed of any given segment as it would apply to a class of track under the FRA standards. This is important because the average speed of our system, as you know, is now just a little over 40 miles an hour, which can hardly be called either rapid or competitive service in my view.

The other goal we feel very strongly about is the cost to revenue goal which, as has been pointed out earlier, is to reach 50 percent by 1985. I think that it is important to give new corridors time to achieve so that a corridor opportunity which does not have high frequencies is not penalized for large startoff and fixed cost allocations.

Mr. FLORIO. On the cost-to-revenue question do you consider State contributions to supplement passenger revenues to be part of revenue to cost relationship?

Mr. TYLER. We count the State contribution as revenue. We have a number of programs dealing with cost reduction, I should point out in passing, to get a better handle on our costs. And I would mention one cost-reduction program relating to the energy situation. We have a fuel monitoring division at Amtrak that we set up in the last 6 months. That particular unit has managed to cut $6 million from our costs by a variety of actions, not the least of which has been the provision of standby electric power at 10 locations, which has saved several million dollars by not having idling engines providing power. That may seem like a simple thing that would be standard management practice, but in a railroad as large and complex as ours and with the operations spread over a wide area, it is not always possible to achieve all of those economies. But we are at least looking at that.

We are hoping that that type of effort, saving $6 million here and $10 million there, will grow in the years ahead so we will comfortably be within that 50-percent guideline by 1985.

Some other elements of the emerging corridor that we feel strongly about are not only the intermodal terminal concept which has been mentioned several times here but also the provision of sufficient parking at those terminals. We have suffered in the Amtrak system on several occasions where we have a terminal which does not have the type of parking that would induce somebody to leave his or her car there and take the train, whether it is into Chicago or Philadelphia or anywhere else in the day. I think that one of the most important elements of the corridor idea is to provide the type of service that is not only attractive in terms of the passengers but is extremely reliable in terms of the railroads or whatever entity is going to be actually operating the trains.

For that reason, Amtrak would like to deal further with this committee in terms of more specific ideas that we have relating to on-time performance standards, which perhaps may require legislative action. We have discussions underway now with all of our operating railroads and with the Department of Transportation to hopefully achieve a consensus on exactly what those measures or standards or criteria are. And we will be back to the committee in the next few weeks with specific recommendations that will hopefully reflect a consensus.

I think the industry in general is very sensitive about on-time performance. When you get into multiple frequencies and in trying to reduce trip times, it becomes critical.

One of those elements which will be addressed is the local speed restriction issue. As I understand in this particular corridor, Los Angeles to San Diego, there are still some 83 grade crossings, albeit protected with either lights or gates or both. But there are a number of municipal restrictions still in existence which have kept the average speed in this corridor down to about 52 miles an hour even though the track is capable of 70 or 90 mile an hour speeds in some cases.

So this is a continuing problem for Amtrak and for the type of service that we want to provide.

The other issues that appear in my statement concern the operating statistics of the Los Angeles-San Diego corridor, how we feel about those. and what projections we can make in the years ahead. Again, our major issue is what part of the intercity automobile traffic can indeed be converted to rail. In on-board surveys, conducted on a regular basis, we ask they would be getting where they are going if they were not riding on Amtrak. Well into the 90 percentile of people said they would be driving their cars. I think the challenge not only to Amtrak but to the intercity bus industry is what share of that energy-diverted intercity automobile traffic we can get together and serve. And I believe that is the only way we can be responsive to the mandate of this committee which is asking us to look at the whole emerging corridor problem.

Mr. Florio. Thank you very much. Relative to the last point that you made, what is your estimate of the increased ridership you expect as the result of a seventh train being approved for this particular corridor? And then perhaps an extension of that, what is the upper limit of increased ridership you could expect from maximum cost effective service by expanded use of cars?

Mr. Tyler. There are obviously many variables in that. Our track record so far has shown that when you start adding frequencies beyond say three or four, that all the trains benefit. You are not just getting the increased riders for that one train, but, because of increased frequencies and convenience all the trains do better. We are now carrying on an annual basis about 1.2 million passengers in the Los Angeles-San Diego corridor. The study looks at an additional 3, and 6, and 12 frequencies a day. We have an application from the State of California for a seventh and an eighth now. I would hope that the same trend would continue and that ridership would increase on all of the trains.

And as to how much specifically over that, I can get those figures for you but I don't have them right here.

Mr. Florio. Do you have any idea to relieve the apprehensions of the previous witness as to where that increased ridership is going to come from? Can the intercity bus lines expect a reduction in their traffic as the result of the increase in your traffic?

Mr. Tyler. I don't believe so. The intercity bus industry has not given us the benefit of all of their operating and ridership statistics. However, in 1971, on the day before Amtrak was created, there were 500 passenger trains per day. The day after it was created there were 250. And the intercity bus industry continued to lose riders. That tells me something about the impact on the intercity bus industry. I don't think there are any diversions from bus or perhaps even from air. I think that the major target of diversions is going to be from the private automobile. And that is going to depend upon the convenience and the price. By the way, I believe that Amtrak's fares are still higher than over the intercity bus fares from Los Angeles to San Diego.

Mr. Florio. Just as an aside I would make an observation that it is not only my own feeling, but also the feeling of other members of this committee that the constant bickering between the bus companies and Amtrak over relatively small percentages seems to us is extremely counterproductive. We are talking about 1.9 percent of the traffic from Amtrak, 1.6 percent. and 93 percent of the traffic in motor vehicles. We are really arguing about a very small amount of the traffic.

And there is no question about the fact that though you haven't got unlimited funding, you have very generous funding by the Federal Government. The bus lines in fact enjoy great benefits from government as well. It is my understanding that here in California there are no fuel taxes paid by intercity buses and therefore the cost of maintenance of roads is paid by the public. Likewise the intercity bus companies are working very hard to get legislation passed that would provide them with direct subsidies.

So we are now seeing the public being called upon to subsidize two modes of transportation that are having very little impact upon the general problem, which is to get people out of automobiles. I am hopeful and I would emphasize to you in the same way I emphasize to the previous witness that there is a need for cooperation so that these two more modes can really attack the problem, which is to try to get people out of their automobiles into either of these two modes of transportation.

Mr. TYLER. I would agree. Not only is it counterproductive; it seems slightly ridiculous to me. This is one reason why we are going to make a major effort with the bus industry, to identify specific areas where we can literally feed them riders. Again, I am saying this is not just conceptualizing and talking about handing out brochures. I am talking about what specific measures we can take from a marketing point of view that will help each other toward the diversion issue of the 93 or 95 percent, whatever it is, that is now depending upon the automobile and may radically change with the price of gasoline. As you will hear tomorrow from Lou Thompson, some of the study's parameters in the emerging corridor study go to $1.50 and to $2.50 a gallon for gasoline in looking at what type of diversion we may expect with either one of those variables. And I think that really is the challenge in terms of getting at the real story and not arguing about diversion from 1½ or 2 percent.

Mr. FLORIO. It is my understanding that Amtrak has on order 200 new cars that are not to be delivered until 1982. If in fact tomorrow you were authorized to increase the frequencies in this area and in others, isn't it the case that you would not be able to order and receive the new equipment necessary for those increased frequencies for a substantial period of time?

Mr. TYLER. That is true with the design of all new equipment, the so-called low level cars, which is probably a misnomer, there being only one level as opposed to Pullman cars which are two levels. When you start up a car, when there is almost no industry in this country building railroad cars and when there is no research and development being done, you will find it is 2 years plus before you will get a car. However, the Budd Co. still has all the jigs and patterns for the Amfleet cars, which provides us with the option of trying to get more Amfleet cars on a little more accelerated schedule.

We also have the option of doing some overhaul on our steam equipment. But this will also fill that 2 year gap. In addition, we have our so-called head-end power program which will take the best of our conventional equipment and electrify it for use all over the country.

Mr. FLORIO. Thank you for your testimony.

Mr. Carl Schiermeyer, vice president, Citizens for Rail California.

STATEMENT OF CARL H. SCHIERMEYER, VICE PRESIDENT, CITIZENS FOR RAIL CALIFORNIA

Mr. SCHIERMEYER. Thank you very much, Mr. Chairman. I would like to address my first remarks to your previous questions to Mr. Tyler.

On the San Diego corridor, if we are able to unclog the institutional and physical congestion that we have on the line, it is the understanding of our organization that we could right now, tomorrow, put on two more round trips with the same equipment. And that is one of the principal arguments we have seen for this corridor. We can have increased efficiency from the same equipment, not requiring any more locomotives or rolling stock. With a quicker turnaround, and optimum spacing of round trips, we would have more seats each day with the same equipment.

In terms of the specific patronage to be expected from a seventh San Diegan, currently the corridor does not attract southbound business traffic. We do have a rather substantial northbound business traffic. The way the schedules are now structured a businessman or a member of a statewide organization such as ourselves cannot come to San Diego on the train for a 9:30 hearing. We either have to fly down or take the bus, as some of us did, or come down the previous day on the train.

So it is our expectation that with an optimum schedule for a seventh San Diegan, and the desire is for a 6:30 a.m. or a 7 a.m. departure from Los Angeles, that we would anticipate a substantial capture of the southbound business travel.

There are already adequate return trips for the southbound businessman. However on the originating trip there is no adequate schedule. And it is anyone's guess as to what would actually happen, but we would be tapping essentially a brandnew market that is just not tapped at all.

Mr. FLORIO. May I ask for clarification? Is what you are saying is that scheduling results in morning trips for the most part going north and southbound trips being more direct in the afternoons?

Mr. SCHIERMEYER. That is correct.

Mr. FLORIO. Essentially we are talking about a commuter scheduling?

Mr. SCHIERMEYER. Well, the first train out of San Diego in the morning is 5:15. The second is 7 a.m. The 5:15 serves the true so-called daily commuter market. The first southbound train is 8:30 out of Los Angeles with an 11:05 arrival in San Diego, which is clearly not desirable for a businessman wishing a quick turnaround. However a 6:30 a.m. out of Los Angeles will get the business person down here by 9 or 9:30. That is on existing scheduling. That is certainly optimum. The first PSA plane I believe in the morning is somewhere around 8 o'clock. And we really are talking about a market that is untapped.

Previous studies by Caltrans have shown anywhere from a 15- to a 30-percent business travel on this corridor. And as I say, most of that is now northbound. So I think we can really look for enhanced patronage. We are talking of a train that goes from the CBD of one of the Nation's largest cities to the CBD of one of the State's largest cities. And we would look forward to a very significant patronage with a seventh San Diegan.

I would like to move on to my testimony if I could very quickly.

The previous speakers have spoken quite well about many aspects of the corridor and I will not repeat them. I would emphasize, as this organization sees it, we are now at a watershed point in the development of rail passenger service in the State. We have really literally gone about as far as we can go. Lacking additional good will between the Santa Fe Railroad and Amtrak and Caltrans we might be at an end point for a significant period of time. The Santa Fe Railroad is a fine railroad. We are proud of their record in the State. They operate an excellent physical plant. They dispatch the trains quite well. They have certain concerns on this corridor and other corridors. We hope that the conversation that Mr. Tyler has been referring to can be productive. We urge that course of action rather than a legal confrontation.

We have had nothing but disappointment in dealing with the Southern Pacific Railroad.

This arbitration matter that we are now engaged in with the Southern Pacific has dragged on for quite a long time with no benefit to the State. We have seen with the energy crisis this last May, with the loss of airplane routes, with the increased cost of flying there is a market there. Unquestionably there is a market.

And the people of the State demand the service. We really want the service. We can't allow these artificial restrictions to stand in the way of meeting that need. So we have to resolve those bottlenecks in some fashion. I am not sure we have the answer. And I hope that with the good will of the railroad we can resolve that.

In terms of the Bullet train concept that was discussed in the Times yesterday, naturally that would certainly improve transportation in the State. We would like to see that. However, I would feel and the organization feels that it is inappropriate to be thinking of that type of service for Los Angeles-San Diego. One of the strengths of this corridor are the intermediate markets. And given the underdeveloped capacity on that route, with selective double tracking and additional sidings, we believe it can meet generally all the needs of that corridor in terms of demand in the foreseeable future. We are not talking about developing new speed capacities on that route: we are talking about taking advantage of the existing speed capabilities. Where there is track limited to 30 miles an hour, if increased to 60, we have a 50-percent shortening of the time between those two points; where we have track capable of 110 miles an hour, which we do at the Camp Pendleton section, let us run trains at 110. Where we have artificial yard limits imposed at many stations, where we have institutional barriers for speed, let us remove those.

As we pointed out in the testimony, if the train service point to point can be reduced to the neighborhood of 2 hours, we are looking at not just an alternative to the automobile, but we are looking at a giant step forward for the entire economy of the region because this will now be the fastest mode, from point-to-point, between Los Angeles and San Diego unless you are virtually living at an airport.

We are looking at not just an alternative but a true improvement very similar to the inauguration of the railroad over covered wagons. So the entire economy of the region will benefit.

Another concern we have is energy conservation. I won't repeat the advantages of the passenger train. There is a specific project on this route that we feel is very illustrative of the advantages that can be gained by an upgrading and that is the Rose Tunnel project in Rose Canyon in northern San Diego County. Currently Rose Canyon consists of steep grades, anywhere from 20 to 22 tight-radius curves. If a tunnel were constructed, costing anywhere from $20 to $30 million depending upon the estimates you look at, with the reduction in curves, with the reduction in mileage, with the reduction in grade, it is our judgment that there could be as much as a 5-percent energy savings on the route: thus, a 5-percent energy savings per train, per trip. This tunnel project turns out to be one of the most cost effective projects you could do.

I mentioned the greater efficiencies involved with the equipment utilization on the corridor.

More trains, quicker turnaround. You can just provide more seats with less equipment. It becomes very efficient.

We urge the extension of this corridor to Oxnard, through the San Fernando Valley.

Los Angeles does not end in downtown Los Angeles. Transportation planners recognize this already. Freeway planners recognize that there are as many trips going to downtown Los Angeles as are passing through it. It is a major bottleneck. And frankly in our judgment were the corridor extended in an appropriate fashion to Oxnard, even perhaps to Santa Barbara, that the principal increase in ridership would then become from places like Ventura County to Orange County.

People will do virtually anything to avoid driving through downtown Los Angeles. It is an impossible situation. It is just impossible to travel in a time-effective manner from points north of Los Angeles to points south of Los Angeles or vice versa. And it makes a great deal of sense in our judgment to extend the corridor.

I would just add one final point to the presentation and that is that when Railpox was first announced in 1970, leading to the setting up of the National Railroad Passenger Corporation, that plan showed no route from Los Angeles to San Diego. In fact there was no coastal route at all. Today, the route that runs from Los Angeles to Seattle is one of the most heavily patronized long distance trains in the Amtrak system. That route was not in place until Amtrak was set up in 1971.

The same applies to the San Diegan routes. We had three round trips a day and were getting around 300,000 passengers a year on this route in 1976. Senator Mills stepped in and provided the leadership for the entire State. We have seen the route mushroom beyond all expectations with virtually no improvements: no paint on any stations, not one more parking space, not one pound of new asphalt for the potholes, no new lights. Many of the stations are still not cleaned very well. And yet we are now seeing somewhere close to 1.2 million people taking the train. In terms of estimating what might happen with the full improvement of this corridor. I think we are talking really of a factor of four and five and six in excess of what we have currently. And I think that is a very modest projection.

[Mr. Schiermeyer's prepared statement follows:]

CITIZENS for
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TESTIMONY SUBMITTED TO

SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
OF THE
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

JANUARY 14, 1980

Introduction

Welcome to California. I am Carl H. Schiermeyer, Vice-President of Citizens for Rail California. In the last century, the phrase "Go West, Young Man," became synonymous with progress and opportunity. As this Committee examines emerging rail passenger corridors we at CRC once again say "Look West." Look West at the San Diegans and see what even a modest amount of nurturing can accomplish. Three years ago 342,000 people rode the three San Diegan trains. In 1976 AMTRAK added new equipment and Caltrans added three more round trips. As of December of this year, the San Diego line was carrying people at the rate of 1.1 million per year, a three-fold increase with only a doubling of service! Given half a chance, the people of California would answer with the same affirmative voice in the San Jose-Sacramento Corridor.

CRC is of course honored and pleased that one of our own Congressmen, Mr. Van Deerlin, has introduced legislation to improve the Los Angeles-San Diego line. His proposed legislation and the attention of this Committee is indeed timely since it now appears that the era of easy and unconstrained growth on this route may be near an end. As you are aware, the request by AMTRAK for a Seventh train on this route has been refused by the Santa Fe Railroad. Consequently it is imperative that we seek means to remedy these physical constraints that prevent this Corridor from reaching its apparently unlimited potential.

The testimony presented here today will hopefully provide the rationale for Congress to support development of this Corridor. CRC believes that we can show that not only are passenger trains on this Corridor energy-efficient but that the capital investments in this Corridor will prove to be the most cost-effective programs of any rail program in the nation. Put modestly, a relatively small amount of money will put this Corridor into excellent condition, permitting trains to operate at an average speed of 67 MPH end-to-end and increasing capacity on the line four- or five-fold. The dollar amount we estimate at something less than 150 million dollars, an amount significantly less than that authorized for the Northeast Corridor.

Citizens for Rail California urges full development of this Corridor for the following reasons:

1. Lack of Available Capacity
2. Energy Conservation
3. Greater Efficiencies of Operation
4. Greater Regional Mobility

1. Lack of Available Capacity

Patronage on the San Diego line continues to grow at an average annual rate of 50%. This route has sustained the highest rate of growth of any route in the AMTRAK system during the past three years. Now, at a time when prudent management indicates the need for a 7th and 8th San Diegan, the residents of California are told "No" by the Santa Fe Railroad. CRC takes exception to the railroad's opposition to a 7th round trip though we do concur with the railroad's judgment that the line's current ability to handle much more than 8 round trips is severely constrained. If the railroad was less adamant in its stance we could right now be adding additional service. Nevertheless the point would have soon been reached when even a totally cooperative railroad would have had no choice but to plead for assistance. We are now at that point and we need the help of Congress to resolve this impasse.

The question might be asked: "Once resolved, what does the future hold for the San Diegans?" Clearly we in this part of the country do not know the upper limits. Even today the schedule in no way attracts several distinct travel markets, in particular the southbound business travel although there is a signficant northbound travel market from the business community. The San Diegans now carry an estimated 2-3% of all trips between Los Angeles and San Diego. With more frequent service, faster schedules, rising gas prices is it unreasonable to project a 15-20% market share? The point I wish to emphasize is that CRC sees this Corridor on a great threshold. Its potential will be limited only by the obstacles we do not remove from its path.

2. Energy Conservation

Modern trains, with full loads, are the most energy-efficient form of transportation in the world. In the 1978 DOT Plan ("A Reexamination of the AMTRAK Route Structure"), it was shown that a 9-car Amfleet train with one F40 locomotive could produce 250 passenger-miles per gallon (Figure 3-4, Page 3-23). I am confident that there have been occasions when particular San Diegan trains have approached this figure. Overall these trains average 100 passenger-miles per gallon (DOT, 3-18). The average intercity automobile achieves only 45 pmg, thus the San Diegans are already contributing in a meaningful way to our nation's energy conservation program.

In addition to the inherent advantages of well run passenger trains, there are other opportunities to achieve energy savings on this route. Caltrans has proposed a tunnel to bypass tortuous Rose Canyon in the San Diego area. This project will shorten the route by 3.5 miles (7 gallons per trip), reduce the grade to 1.5 % (reduce power consumption accordingly), and eliminate at least 22 short radius curves (tight curves mean more friction thus more fuel). CRC estimates that this project alone could have as much as a 5% positive impact on fuel consumption in the Corridor and reduce travel time by 8 minutes.

3. Greater Efficiency of Operation

When point-to-point running times are reduced by 40 minutes, equipment on the Corridor can be recycled more efficiently, requiring less sets of equipment to operate even a maximum number of trains . With provision made for more rapid turn-around of equipment the same number of coaches could provide substantially more revenue seats per day. Because of current schedule constraints this is not now possible.

It might be desirable to explore electrification of this Corridor. In the East, electrification has permitted greater acceleration and thus reduced running times. Electrification would free rail from reliance on oil as a power source and could even benefit the region's air quality maintenance plan. Notwithstanding these benefits CRC urges a full benefit-cost analysis before proceeding on this option.

4. Greater Regional Mobility

Citizens for Rail California supports the extension of the San Diego Corridor beyond downtown Los Angeles to the San Fernando Valley, the Simi Valley and Oxnard/Ventura. Los Angeles does not begin in central Los Angeles nor does it end there. Given the enormous volumes of vehicular traffic in and around the central Los Angeles area, the rail option on both sides of this bottleneck makes special sense. Extending the Corridor will recognize what traffic planners already know: that there are as many trips passing through Los Angeles as are destined to downtown.

The benefits of this project will accrue to the entire region. For virtually every resident of this Corridor not living within 15 minutes of an airport, the fastest means of travel from city to city will be by AMTRAK. At a 67 MPH average speed the train will outstrip all modes of transportation for these short haul runs. Far from being an "alternative" to the car, this Corridor will open up new horizons of improved transportation for all. The beneficiary of this project will be the entire economy of the region. Every way you look at it, this project is a winner.

As the Committee is aware, Caltrans has prepared a list of projects which have certain time savings associated with them. CRC urges the Committee to note the great number of projects which can be implemented at relatively little cost. Indeed it is felt that a large percentage of the time savings specified in HR 5403 will be achieved by modification of institutional barriers (yard limits, speed restrictions). It is this organization's considered opinion that the improvement of this Corridor will turn out to be one of the real bargains of all the emerging corridors. In no small measure is credit due to one of the finest railroads in the country for maintaining a physical plant that should be the envy of every community in the country. For this we thank the Santa Fe Railway.

In addition to the construction of passing sidings and sections of double track, the four highest priorities among the capital projects for this Corridor are:

A. Triple-tracking the Santa Fe mainline Hobart Yard to Fullerton

B. Rose Canyon Tunnel

C. Conversion of Los Angeles Union Passenger Terminal to a Run-Through Terminal

D. The Construction of a High-Speed Passenger line from LAUPT to Burbank Junction

The San Diegans have come a long way. As you may know, these trains were not even included in the original Railpax Plan. The people of California have been voting with their pocketbooks how they feel about rail passenger service. We now ask this Committee for its help in making this route into what it could be. Thank you.

Carl H. Schiermeyer
Vice-President
3633 Colorado Street
Long Beach, Calif. 90814

Mr. **Florio**. Thank you very much.

I read your statement. It is very thorough. I think most of the points you have raised are extremely helpful. Let me ask you a question with regard to a program in my own State and ask how you think this program might be received in this State.

In my own State the Department of Transportation has acquired a great many miles of track and a number of stations from Conrail as a part of its commuter network. The State is in the process now of offering to localities control over stations with a dollar a year lease so that the State entity maintains control but as a matter of civic pride and civic control, the stations would be turned over to the municipalities for the purpose of operation and the local ingenuity that would come into play.

Do you think there would be any desire to become involved in such a program as this in this State?

Mr. **Schiermeyer**. On the one hand I would say yes, sir, immediately. On the other hand we have had a recent change in our method of funding local government, away from property taxes. I am sure local government would be very cautious about entering into an agreement that would cost them funds without additional leverage over the service for which the station is geared. We would like to see the State, in matters of intercity services, play a predominant role vis-a-vis stations, settings and the development of the corridor rather than the municipalities because each municipality and county has its own vested interests.

The State has proven very good in our judgment in managing their resources.

In terms of ownership of the corridor, that raises an interesting question. We have noted with interest on the west coast the special attention that Amtrak-owned rail around the country receives. And if for no other reason than institutional, we would like to see at least some segment of the San Diego line owned by Amtrak to insure that there would then be an administrative staff in place at Amtrak that would be able to speak on a daily basis for the needs of the corridor.

We have many operational requirements, but Amtrak's financial involvement through ownership or some other equity interest would be a way to insure the continued attention of Amtrak management toward this. We have felt that we have not really received the level of attention that we would have received had there been such direct staff involvement.

Mr. **Florio**. Thank you very much.

Our next witness is Mr. Jerome Premo, executive director of the Los Angeles County Transportation Commission.

STATEMENT OF JEROME C. PREMO, EXECUTIVE DIRECTOR, LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Mr. **Premo**. Thank you Mr. Chairman and welcome to California. I would like to spend a few minutes not on the specifics of my testimony but reflecting on some of the points that have been raised this morning and hope that they can supplement that which I have already provided you for the record.

The first Los Angeles County Transportation Commission, which I am the executive director of, was created by our State legislature in 1976 and charged with putting together a program of highway and public transportation improvements in our Nation's second largest metropolitan area.

We had a scattering of a lot of responsibilities among a lot of agencies. And, the goal of the legislature was to directly involve elected officials, in our case the five supervisors of our county of 7 million citizens, the mayor of Los Angeles, the president of the city council, and representatives of local government as well as an ex-officio representative appointed by the government to this unit that hopefully could bring together parties in Los Angeles, reach agreement on planning and get with implementing improvements to keep our citizens on the move.

We think we are making some real progress. We think that H.R. 5403 can significantly strengthen our ties with our sister counties to the south and the north over the next decade. We are working on a variety of short and long run improvements. We are trying to improve our bus system as well as to get a start with rail rapid transit.

I just might use this as an occasion to note that contrary to popular belief, Los Angeles does have a lot of people in it. The 7 million citizens live close together. In fact, only two metropolitan areas in the country have a density greater than Los Angeles County. Those are New York and Philadelphia. We have a significantly higher density in Los Angeles than Chicago, than Washington, D.C., we are about 50 percent more dense than Boston, for example, as an urbanized area.

We are trying in conjunction with Caltrans and other agencies to again come up with a mix. We hope to get a start this year in rapid transit and we are trying from both the north and the east to come into downtown Los Angeles with commuter rail improvements that are not explicitly the subject of H.R. 5403 or certainly the service from the east is not.

Our goal during this year is cooperatively to find a way to acquire Union Station, which is the hub of our transportation program. I hope you will have a chance here in San Diego to see the fine station that is here. The Urban Mass Transportation Administration has provided grant assistance to purchase and upgrade the rail station here.

We are looking forward to the same opportunity for Federal assistance through UMTA to purchase Union Station, which will be a hub of a variety of rail and bus carpool projects in our central area.

We have a meeting tomorrow with Director Gianturco, Mayor Bradley, the chairman of our county transportation commission, and others to work toward agreement on a financing plan for the acquisition of this grand and important station.

The $100 million that is the subject of H.R. 5043 is a sizable sum of money yet in the context of the Department of Transportation's budget it is not that overwhelming. We see the Federal Highway Administration with its $8 billion plus budget, we see UMTA with a $3.3 billion plus budget—and I believe that most would agree that the UMTA budget does need increases. But, the $100 million, especially when one considers that it will probably be expended over a 5-year period, becomes a footnote in the overall budget of the Department of Transportation. However, to us here it is far more than a footnote.

And, we have State funding which has been put in and as you know, as Director Gianturco has indicated. We look to New Jersey, for example, as a real leader in the mix between investments in the corridor and in commuter service. My sense is that most of the investments in New Jersey are going into commuter. We see understandably in the Northeast corridor a mix of commuter on the one hand, and intercity on the other. We think there is going to be some of it in this particular corridor, particularly in the travel from Orange County into downtown Los Angeles.

And, hopefully, with the bill including provision for improvements to the north and west up to Exanrd, we believe very much that there will be opportunities for significant commuter service in, for example, Congressman Dornan's district.

You asked in your call about energy savings. My estimate is that over 600,000 gallons of gas will be saved each year as the result of this based on current ridership. And, we think this can significantly increase—"this" being the ridership potential here in the corridor. We have seen that ridership increase outstrip capacity practically of the trains. It is not unlike what is occurring in your and other States in relation to public transportation systems. The capacity is not there. The ridership demand is however. I would rather not get involved or speculate on what might happen in the numbers games, of energy savings and the like. I would rather hope we can reflect on what the options to this improvement really are.

Presuming that the energy crisis is here to stay, and we believe that it is, then we are going to have to do something to move people in this corridor, one of the densest corridors in our country.

We can try to reverse the trend in recent years and improve air service, have more flights, but yet, here we are literally a handful of miles away from an airport which is the subject of intense dispute between and among the CAB, the FAA and other departmental officials and the Congress itself in terms of its safety.

We can continue to rely to the tune of 95 percent on the private automobile to shuttle up and down with 1.2 or 1.4 persons and a half per car. We can see those 600,000 gallons a year or plus be extended. We can hope to improve bus service as you heard. We believe that the potential exists for continued improvements in bus service. But, also when we start from base of about 93 or 94 or 95 percent already in the private automobile, I would agree completely with Clark Tyler that the market is against the 94 percent.

We believe that improvements in rail service are nearly inevitable as we enter these last 20 years of the 20th century. The railroads themselves have understandable concerns. The railroads had understandable concerns in the Northeast and in the Midwest, particularly in the St. Louis to Chicago and the Milwaukee to Chicago runs. But, I believe that the kind of need that exists in this corridor is going to be recognized by the railroads and the kinds of meetings that Mr. Tyler describes as are occurring Wednesday are going to remove what could be to you an impediment in moving this bill. And, that is the tensions and concerns of the parties.

Our hope is that cooperatively we can move ahead, make investment in this corridor, and get on with the continuing to move people.

Mr. Chairman, I might conclude by noting that prior to my coming to Los Angeles, I spent 11 years with the Urban Mass Transportation Administration, the last 5 of which were in charge of their grant program for capital and operating. I have a pretty good understanding of the correlations between and among corridors in the country.

I know the investment levels that have been committed to by UMTA, for example, for the upgrading of the CNJ, the Erie-Lackawana, the other railroads in New Jersey, you know the mix between in your State some of the investments the Feds are making that are tallied against the UMTA budget versus those in the Northeast corridor.

When those are added up, they are significant. A lot of people rely on rail. They are needed undoubtedly in that part of the country. But, I would argue, as I hope I have this morning, that they are needed here, they are timely here, and the funds expended in this corridor will be well spent.

Mr. Chairman, thank you for the opportunity to join you.

[Mr. Premo's prepared statement follows:]

LACTC

LOS ANGELES COUNTY TRANSPORTATION COMMISSION • 311 SOUTH SPRING STREET – SUITE 1206, LOS ANGELES, CALIFORNIA 90013 • (213) 626-0370

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State of California

JEROME C. PREMO
EXECUTIVE DIRECTOR

REMARKS BY
JEROME C. PREMO, EXECUTIVE DIRECTOR OF THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
COMMITTEE ON FOREIGN AND INTERSTATE COMMERCE
U.S. HOUSE OF REPRESENTATIVES
SAN DIEGO, CALIFORNIA - JANUARY 14, 1980

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS JERRY PREMO. I AM EXECUTIVE DIRECTOR OF THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION. I APPRECIATE THIS OPPORTUNITY TO OFFER TESTIMONY ON LOS ANGELES' PROGRESS IN LINKING OUR PUBLIC TRANSPORTATION SYSTEM TO INTERCITY RAIL FACILITIES.

BEFORE GOING ON, LET ME BRIEFLY DESCRIBE THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION AND WHAT IT DOES. THE CALIFORNIA STATE LEGISLATURE CREATED OUR COMMISSION IN 1976 TO ADDRESS THE TRANSPORTATION PROBLEMS OF OUR COUNTY. TO ACCOMPLISH THIS TASK, THE COMMISSION MEMBERSHIP IS MADE UP FROM THE POLITICAL LEADERSHIP OF THIS COUNTY. THE COMMISSIONERS ARE THE FIVE LOS ANGELES COUNTY SUPERVISORS, THE MAYOR OF THE CITY OF LOS ANGELES, THE PRESIDENT OF THE LOS ANGELES CITY COUNCIL, THE MAYOR OF GARDENA, CITY COUNCILMEN FROM LONG BEACH AND NORWALK, AND A PRIVATE CITIZEN APPOINTEE.

THE COMMISSION IS RESPONSIBLE FOR SETTING BOTH HIGHWAY AND PUBLIC TRANSPORTATION PRIORITIES FOR THE COUNTY, INCLUDING ALLOCATING NEARLY $200 MILLION EACH YEAR IN TRANSIT SUBSIDIES AMONG OUR SEVERAL BUS OPERATORS, AND DIRECTING THE DEVELOPMENT OF GUIDEWAY RAPID TRANSIT PROJECTS IN THE COUNTY.

THE FOCAL POINT OF MUCH OF THE PUBLIC TRANSPORTATION SYSTEM BEING DEVELOPED IN LOS ANGELES COUNTY IS UNION STATION, WHICH IS OUR CENTER OF A REVITALIZED INTERCITY PASSENGER RAIL SERVICE TO AND FROM LOS ANGELES.

IN ORDER TO GIVE YOU A PICTURE OF THE INTEGRAL ROLE UNION STATION WILL PLAY IN THE TRANSPORTATION FUTURE OF THE LOS ANGELES METROPOLITAN AREA, I WOULD LIKE TO DESCRIBE SEVERAL OF THE IMPORTANT ELEMENTS OF WHAT WE CALL OUR REGIONAL TRANSIT DEVELOPMENT PROGRAM (RTDP).

1. THE REGIONAL CORE RAPID TRANSIT SYSTEM: THIS SUBWAY LINE WILL LINK NORTH HOLLYWOOD, HOLLYWOOD AND THE MID-WILSHIRE COMMERCIAL CENTER TO DOWNTOWN LOS ANGELES AND TO UNION STATION.

2. THE DOWNTOWN PEOPLE MOVER: THIS ELEVATED GUIDEWAY SYSTEM WILL RUN THROUGH DOWNTOWN LOS ANGELES AND WILL PROVIDE COMMUTERS AND RESIDENTS IN THE CENTRAL CORE OF THE CITY THE ABILITY TO REACH THEIR DESTINATIONS QUICKLY. UNION STATION WILL SERVE AS THE NORTHERN TERMINAL FOR THE PEOPLE MOVER.

3. FREEWAY TRANSIT: TWO MAJOR COMMUTER BUSWAYS LEADING FROM THE EASTERN AND SOUTHEASTERN SECTIONS OF THE LOS ANGELES METROPOLITAN AREA WILL BRING RIDERS TO UNION STATION AND TO OUR CENTRAL AREA.

A THIRD BUSWAY FROM SOUTH BAY AND LONG BEACH WILL BE CONNECTED TO UNION STATION BY THE DOWNTOWN PEOPLE MOVER.

- A PARKING FACILITY IS ALSO PLANNED AS PART OF THE OVERALL UNION STATION REDEVELOPMENT.

UNION STATION HAS A GLORIOUS PAST; IT CAN HAVE AN EQUALLY IMPORTANT FUTURE AS THE PRIME INTERMODAL HUB OF A METROPOLITAN AREA OF TEN MILLION PEOPLE.

EFFORTS TO ACQUIRE UNION STATION AND TO TRANSFER OWNERSHIP OF THIS VITAL FACILITY FROM THE PRIVATE TO THE PUBLIC SECTOR ARE CURRENTLY UNDERWAY. THESE EFFORTS HIGHLIGHT THE WILLINGNESS OF CONCERNED AGENCIES AT ALL LEVELS OF GOVERNMENT TO WORK TOGETHER TO IMPROVE PUBLIC TRANSPORTATION IN THIS AREA.

CALTRANS HAS PROPOSED TO PURCHASE THIS FACILITY WITH A COMBINATION OF (LOCAL) STATE AND FEDERAL MONIES. THEY ARE ALSO WORKING WITH LOCAL AGENCIES, INCLUDING THE CITY OF LOS ANGELES, TO INSURE THEIR INPUT INTO THE DEVELOPMENT OF THIS FACILITY.

RAIL SERVICE BETWEEN UNION STATION IN LOS ANGELES AND THE SANTA FE DEPOT IN SAN DIEGO PROVIDES THE MAJOR TRANSPORTATION ALTERNATIVE TO THE AUTOMOBILE IN TRAVELING BETWEEN THESE TWO REGIONAL CENTERS. I DON'T THINK I NEED TO DWELL AT ANY LENGTH ON THE ENVIRONMENTAL AND ENERGY SAVING BENEFITS OF ALL RAIL SERVICE TO RESIDENTS OF SOUTHERN CALIFORNIA.

RIDERSHIP IN LOS ANGELES-SAN DIEGO HAS INCREASED SUBSTANTIALLY OVER THE PAST SEVERAL YEARS.

IMPROVED SERVICE AND FASTER TRAVEL TIMES ARE ENVISIONED IN HR 5403, THE SOUTHWEST CORRIDOR RAIL BILL. WE ARE CONFIDENT THAT ADDITIONAL TRAVELERS WILL RIDE THE RAILS WITH THESE IMPROVEMENTS.

LOCAL GOVERNMENT, AND IN PARTICULAR THE COUNTY OF LOS ANGELES, WAS INSTRUMENTAL IN RECOGNIZING THE POTENTIAL FOR RIDERSHIP IN THIS CORRIDOR AND DOING SOMETHING ABOUT IT.

LOS ANGELES COUNTY SUPERVISOR BAXTER WARD, WHO IS ALSO A MEMBER OF THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION, LED EFFORTS TO HAVE THE COUNTY PURCHASE A TRAIN AND TO PROVIDE OPERATING FUNDS FOR THE LOS ANGELES-SAN DIEGO SERVICE. CALTRANS ALSO SHOWED THE FORESIGHT TO AUGMENT THIS SERVICE AND TO WORK FOR ITS IMPROVEMENT.

EFFORTS TO PROVIDE ADDITIONAL SERVICE ALONG THIS CORRIDOR CONTINUE. THE CITY OF NORWALK IN EASTERN LOS ANGELES COUNTY IS NEGOTIATING TO RECEIVE SERVICE. THE CITY IS WILLING TO PAY FOR A STATION FACILITY IF IT RECEIVES SERVICE. CURRENTLY THERE IS NO PASSENGER RAIL SERVICE TO THIS AREA FROM LOS ANGELES OR SAN DIEGO. SUCH SERVICE COULD HAVE AN IMPACT IN FUTURE REDUCING AUTOMOBILE USAGE ALONG THE HEAVILY TRAVELED SANTA ANA FREEWAY.

LOCAL AND STATE AGENCIES ARE INVOLVED IN OTHER EFFORTS TO PROVIDE ADDITIONAL RAIL SERVICE TO LOS ANGELES AND UNION STATION FROM PORTIONS OF THE METROPOLITAN AREA WHICH ARE NOT NOW SERVED. CALTRANS AND THE COUNTY ARE WORKING TO PROVIDE PASSENGER SERVICE TO THE SAN FERNANDO VALLEY AND TO VENTURA COUNTY TO THE NORTH. ANOTHER CORRIDOR WHICH CALTRANS IS WORKING TO PROVIDE SERVICE FOR WOULD RUN FROM SAN BERNADINO TO UNION STATION. THIS WOULD SERVE THE EASTERN PORTION OF LOS ANGELES COUNTY.

MR. CHAIRMAN, WE ARE IN EXCITING TIMES FOR TRANSPORTATION IN SOUTHERN CALIFORNIA. A SYSTEM OF PUBLIC TRANSPORTATION CONNECTED TO A REVITALIZED INTERCITY RAIL NETWORK THROUGH UNION STATION IS BEING PUT TOGETHER NOW. WE ARE WORKING HARD IN LOS ANGELES TO SEE THAT THESE PLANS ARE CARRIED OUT.

THANK YOU AGAIN FOR THE OPPORTUNITY TO SHARE THESE THOUGHTS WITH YOU. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

Mr. **Florio**. Thank you very much for your knowledgeable and thoughtful comments. I would just like to ask one question and perhaps get a bit of elaboration as to the question of the viability of the corridor approach in the area north of Los Angeles. It has been represented to me that this area is not very densely populated and that if it comes to picking and choosing where we are going to put our money, which of course it always does come to that position, it does not seem to be as cost effective to be putting moneys into a corridor beyond that point. Can you respond?

Mr. **Premo**. Thank you. The question really is not whether I hope we have advanced between San Diego and Los Angeles, but rather whether we, in addition to that, have advanced from Los Angeles up to Ventura as contrasted to either not making that investment period or investing it some other place in the country in a rail program.

If I can start from that point of view, where will this north of Los Angeles run hit? Where it will hit is in the San Fernando Valley as a start. This gets to the illusion about nobody living in Los Angeles. I don't know how we have 2.8 million people in the city of Los Angeles and 7 million in our county if nobody lives there. The density is about 5,200 per square mile in the San Fernando Valley. That is our suburb, 5,200 per square mile.

In the Boston commuter shed, you are talking about densities there of 2,150 per square mile and viable rail transit commuter service from those suburbs. So, we start in the San Fernando Valley and we hit Ventura County, which is growing by leaps and bounds. And, we have pressures, tremendous pressures that better anybody else, Director Gianturco has to handle. And, what we are confronted with is significant road widenings in that part of the county because the draw is into downtown Los Angeles and into the San Fernando Valley from Ventura County.

We can provide you with some of this population density and data that we think contrasts sharply to some of the other places that have successful commuter service. So, I would hope that we could make a case from the point of view of the statistics and the data that we have available to make the point that it is comparable and I hope a better bet than some other corridors you might invest in.

Mr. **Florio**. I would address a question to you that I perhaps should have addressed to Mr. Tyler. Are there commuter operations operating on the intercity corridor?

Mr. **Premo**. No, not here. What we hope to do is use one of Amtrak's routes, the one that runs north through Pasadena and then heads to Riverside or San Bernardino and then Riverside. Caltrans is hoping to move ahead with a commuter rail program there where there will be discounts. The trains would be added for peak hour service, two in the morning and two in the evening. Currently, it costs about $3 to ride in from Pasadena, I think.

Obviously, that won't be the commuter rate. What Caltrans has done is put up money. They have done more than plan and talk. And, I think, that the programs the State has passed will continue to provide a subsidy base, which gets to some of our concerns about fare box ratio.

Mr. **Florio.** Thank you very much. Our last witness will be Mr. Harry Hecht, deputy county engineer, County of San Diego.

STATEMENT OF HARRY HECHT, DEPUTY COUNTY ENGINEER, COUNTY OF SAN DIEGO

Mr. **Hecht.** Thank you, Mr. Chairman, and members of the committee. I am Harry Hecht, deputy county engineer for the county of San Diego, and I represent San Diego County. Most of the testimony your committee has heard we had prepared and has already been covered. I would like, however, to make very briefly three key points which your committee has expressed concern over and which I would hope to clarify.

The first is the mode split in the corridor. The Los Angeles-San Diego corridor is one of the most highly traveled corridors in the United States. In 1973, a west coast corridor study was prepared for the Federal Railroad Administration. In this study, 95 percent of the people's trips were by auto, 2 percent were by air, 2 percent were by bus, and only 1 percent by rail. Since then, with more service 2 to 3 percent are actually carried now by rail, with auto decreasing to 93 percent.

Still, in this corridor, 93 percent of person trips are by auto.

The second point: past improvement have resulted in large patronage increases. Future improvements will provide more ridership's patronage particularly when coupled with availability and cost of fuel.

The third point, local governments support this legislation. There was, in 1979, a Tri-County Rail Committee set up composed of Orange, Los Angeles, and San Diego Counties. This committee had as its objectives four key points. The increase of frequency of service, the improvement of existing stations, the improvement of local transit tie-ins at stations, and the physical improvements to the line itself.

The county of San Diego for two of the seven existing Amtrak stations has projects for upgrading stations. In the last 2 to 3 years, the county has gone through site selections at both Oceanside and Del Mar. They have selected sites, are finishing preliminary design, and in 12 to 14 months will begin construction. These stations are funded heavily with local funds. The county is actually backing up improvements in this corridor with money.

These stations, as was addressed to your committee, ties in many modes of transportation. Besides Amtrak, it would tie in the Oceanside station; Greyhound, Trailways, local bus, taxi, private vehicles, pedestrians and bicycles. And, at the Del Mar replacement train station, it would tie in all of those modes except for Trailways, which is not franchised to serve that area.

To be very brief in summary, we think it very important that your committee looks modes split, what past improvements have done for this corridor in train transit, and the commitment of the local governments.

Also, in addition, city of San Diego and the metropolitan transit district are improving the downtown Amtrak station on much the same lines as the county.

In conclusion, I would like to say that we believe this bill to be timely. And, the county board of supervisors has passed a resolution supporting this bill both in intent and substance.

Thank you.

[The following letter was received for the record:]

R J Massman
Director

COUNTY OF SAN DIEGO
DEPARTMENT OF TRANSPORTATION

Offices of
County Engineer & Road Commissioner
County Surveyor
County Airports

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San Diego California 92123
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January 4, 1980

The Honorable James J. Florio
Chairman, House Interstate and Foreign
Commerce Committee
Subcommittee on Transportation and Commerce
House Office Building
Washington, D. C. 20515

Dear Congressman Florio:

The Board of Supervisors of the County of San Diego endorse H. R. 5403 "Southwest Coast Corridor Service" bill. The improvements to the Los Angeles-San Diego travel corridor which would be authorized by this legislation are important to the long term needs of this corridor. H. R. 5403 complements local and state efforts to encourage energy efficient travel between Los Angeles and San Diego. Previous service improvements on the line resulted in large increases in ridership. We believe further improvements will be matched with further increase in ridership. The Southwest Coast Corridor bill will continue these efforts to divert auto travel to train travel at this increasingly critical period of oil shortages.

The Los Angeles-San Diego corridor is one of the most heavily traveled corridors in the United States. The West Coast Corridor Study prepared for the Federal Railroad Administration (FRA) estimated that in 1975 there were 116,000 daily intercity person trips between the Los Angeles and San Diego Metropolitan areas. This does not include subregional trips taking place in the corridor. Substantial growth in travel has occurred in the interim since 1975.

The West Coast Corridor study estimated that 95% of person trips in the corridor are auto trips. Air and intercity bus each account for 2% of person trips. Rail carried 1% of trips in 1975.

The relatively poor showing of rail (1975) was indicative of the minimal state of rail service provided. There were three trains daily in 1975. Three additional trains were added between September 1976 and February 1978. The effect of this additional service was a 212% increase in ridership from 356,000 in 1975 to 1.1 million in 1979.

Additional rail service improvements in the Los Angeles-San Diego corridor will stimulate further ridership growth. Most important of these is the need to reduce AMTRAK travel time to make rail more competitive with auto travel. H. R. 5403 addresses this point directly, mandating a 1 hour and 55 minute schedule running time between San Diego and Los Angeles. This 40-minute reduction in running time from the present schedule will lead to significant ridership growth, particularly coupled with rising fuel prices and fuel availability problems.

The other issues the bill addresses: more frequent train service; through service to the San Fernando Valley and Oxnard; improved arrangements with labor unions to increase labor efficiency; and an analysis of the feasibility of electrification of the rail line are important improvements to the line productivity.

Local agencies have recognized the importance of rail service in the corridor. A Tri-County Rail Committee composed of representatives of Los Angeles County, San Diego County, Orange County, AMTRAK, CALTRANS and State Senator James Mills has been formed. As its objectives, the Tri-County Committee will seek increased frequency of service, improvements to existing stations, additional stations, improvements to local transit service tie-in at stations, and physical improvements to the line.

The San Diego County Board of Supervisors has already approved projects for upgrading AMTRAK stations at Del Mar and Oceanside. These two projects will improve local and regional transit accessibility to AMTRAK, increase public amenities at the station, and provide sufficient capacity for future ridership growth. The actions of the County will complement the provisions of H. R. 5403 with non-federal funds.

An important challenge facing Southern California will be the provision of transportation and mobility under conditions of energy conservation. It is widely understood that the single occupant auto is an inefficient consumer of increasingly scarce and costly petroleum. The future direction of public policy must divert transportation to mass usage. Pricing and fuel shortage will force commuters to switch to transit. It will be up to the public sector to provide a level of service adequate to meet the needs of potential patrons.

High ridership on fast trains is a fuel efficient mode of intercity travel. In the Los Angeles-San Diego corridor it is estimated that the current fuel efficiency of trains is 100 passenger miles per gallon. This efficiency will improve with better ridership.

The Southwest Coast Corridor bill is timely legislation. The County Board of Supervisors of San Diego have passed a resolution supporting both the intent and substance of this bill. The resolution is attached.

Sincerely,

R J Massman

R. J. MASSMAN
Director of Transportation

RJM:RT:jb

Attachments

NO. 1 WEDNESDAY, DECEMBER 12, 1979

RESOLUTION SUPPORTING)
HR 5403 SOUTHWEST COAST)
CORRIDOR SERVICE BILL)

ON MOTION of Supervisor Hamilton, seconded by Supervisor Eckert, the following resolution is adopted;

WHEREAS, the Board of Supervisors of San Diego County has endorsed the provision of intercity rail service in the San Diego-Los Angeles coast corridor; and

WHEREAS, the Board of Supervisors is working with the Tri-County Rail Committee to improve rail service in the San Diego-Los Angeles corridor; and

WHEREAS, the Board of Supervisors has approved construction of the North Coast and Oceanside Multipurpose Transportation terminals to improve service of the San Diego-Los Angeles Rail corridor; and

WHEREAS, HR 5403 Southwest Coast Corridor Service bill provides for a reduction in AMTRAK running time between San Diego and Los Angeles to one hour and fifty-five minutes and for other service improvements;

NOW THEREFORE, BE IT RESOLVED THAT the Board of Supervisors of San Diego County does hereby reaffirm its endorsement and support of intercity rail service on the San Diego-Los Angeles coast corridor and supports passage of HR 5403, the Southwest Coast Corridor Service bill.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Diego, State of California, this 12th day of December, 1979 by the following vote:

AYES: Supervisors Hamilton, Bates, and Eckert

NOES: Supervisors None

ABSENT: Supervisors Moore and Hedgecock

STATE OF CALIFORNIA)
County of San Diego)

I, PORTER D. CREMANS, Clerk of the Board of Supervisors of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution passed and adopted by said Board, at a regular meeting thereof, at the time and by the vote therein stated, which original resolution is now on file in my office; that the same contains a full, true and correct transcript therefrom and of the whole thereof.

Witness my hand and the seal of said Board of Supervisors, this 12th day of December, 1979.

PORTER D. CREMANS
Clerk of the Board of Supervisors

Mildred Huey
By Mildred Huey
Deputy

(SEAL)

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL
BY
DEPUTY 12/1/79

Mr. **Florio**. Thank you very much. I am interested in your Tri-County Rail Committee. The third point you raised was improvements to lines. Are you talking about actual track improvements?

Mr. **Hecht**. We have not addressed any of those as of yet although the committee is meeting. The objective was set prior to this legislation being introduced. So, this legislation would be one of the things that we would be interested in.

Mr. **Florio**. And, what about the committee's ability to deal with the local restrictions that have been referred to a number of times this morning? With three county governments, would they have the ability to play a role in causing localities to rethink through the adverse impacts of local speed restrictions on this service?

Mr. **Hecht**. To some extent.

Mr. **Florio**. Are they involved?

Mr. **Hecht**. They will be, yes.

Mr. **Florio**. Thank you very much. We appreciate it.

Ladies and gentlemen, that concludes our hearing this morning. We will adjourn and reconvene tomorrow in Sacramento. I thank all the witnesses for their testimony and thank you for your attendance.

[Whereupon, at 12:05 p.m., the subcommittee adjourned to reconvene at 9:30 a.m., Tuesday, January 15, 1980.]

RAILROAD CORRIDORS

TUESDAY, JANUARY 15, 1980

House of Representatives,
Subcommittee on Transportation and Commerce,
Committee on Interstate and Foreign Commerce,
Sacramento, Calif.

The subcommittee met at 9:30 a.m., pursuant to notice, in courtroom No. 3, Federal and Courthouse Building, Hon. James J. Florio (chairman) presiding.

Mr. Florio. The subcommittee will come to order.

I am very pleased to be here today with, and at the request of Congressman Matsui. The subcommittee is here to explore the potential of the Sacramento-San Francisco-San Jose route as an improved, upgraded rail corridor.

The dramatic change in the energy picture in the country has meant a substantial increase in rail passenger ridership. Funding, as we all know, of additional service is always scarce, and in these times of austerity even more so. We are convinced, however, that the demand is there.

I have asked the Committee on Ways and Means, which is now in conference with the Senate on the windfall profits tax, to include rail passenger corridors as an eligible recipient of funds collected under that tax. The administration, in proposing the tax, intended that mass transportation be a recipient of funds collected. However, the administration did not specify that improvements of rail passenger corridors should be eligible for these funds.

Without funds from the windfall profits tax, the likelihood of obtaining any substantial new amounts for additional rail service is very difficult to conceive. We are all aware of the pressures on the Federal budget.

I look forward to hearing from our witnesses today about the benefits of upgrading this particular corridor, particularly the energy-saving component of increased corridor operations in this area.

We had a very productive day yesterday in San Diego, and I look forward to hearing from our very impressive list of witnesses today to gather more information about this very vital subject.

I would now like to introduce for opening remarks my colleague who, in the short time that he has been in the Congress and on this committee, has already distinguished himself through his thoughtful approach to all the important problems of the Congress, and particularly important problems of this subcommittee. I am pleased, therefore, to ask for opening remarks from Congressman Matsui.

Mr. MATSUI. Thank you very much, Mr. Chairman. Rather than to read the opening remarks which I have submitted for the record, I will submit them for the record. I would only like to say, thank you, Mr. Chairman, for taking the time during this recess to come to Sacramento and California to participate in these hearings. We appreciate very much the fact that you are hearing from the people from the local community. I, for one, feel that this is something that we have needed to do all along and I appreciate those efforts.

I might just further add that the chairman of the subcommittee, along with the chairman of the full Interstate and Foreign Commerce Committee, Mr. Staggers, and the ranking minority member on October 10 directed a letter to the Secretary of Transportation and requested information on what corridors in this country would be feasible for possible use in the future. The Sacramento to the bay area route was 1 of the 11 selected. I might just add, if we can get a strong windfall profits tax in the House and Senate Conference Committee, and if the administration will support spending some of that money for the purchase of mass transportation, rail transportation, then I think in the future we may have an opportunity to help alleviate the energy crisis and the problems of pollution in our area with the possibility of this route.

Thank you very much, Mr. Chairman.

[The opening statement of Hon. Robert T. Matsui follows:]

OPENING STATEMENT BY
CONGRESSMAN ROBERT T. MATSUI
3RD DISTRICT, CALIFORNIA

JANUARY 15, 1980
SACRAMENTO, CALIFORNIA

The purpose of today's hearing is to explore the possibility of establishing a rail corridor to permit effective passenger rail transit between Sacramento and the San Francisco Bay Area.

Americans have relied on increasingly faster and efficient transportation modes to conquer the distances which separate us as individuals and communities. However, global politics and shortages of natural resources have threatened to curtail those modes upon which we most heavily depend.

Skyrocketing prices and uncertain supplies of gasoline have cast doubts on the ability of the private automobile to continue in its present role in our transportation network. Last year's long gasoline lines here in Sacramento and other California cities were strong proof of this.

Fuel shortages are also affecting the ability of commercial air carriers to satisfy interurban transportation needs in the Central Valley. In recent months, four airlines have curtailed or eliminated service to Sacramento as a result of rising energy costs. Particularly worrisome is the loss of connector flights between Sacramento and San Francisco.

Moreover, problems created by automobiles and aircraft--congestion, noise, and air pollution--are still unsolved.

It is clear that federal transportation policy must encourage the development of new modes to fill the growing vacuum in our transportation network.

Upgraded passenger rail may be part of the answer. For most of the past 100 years, Americans have relied on rail as their primary mode of interurban transit. Rail can be cheap, clean, efficient, and it uses readily available energy sources.

The success of the Northeast Corridor Project has demonstrated the willingness of travelers to switch from automobiles and aircraft to the trains. In fiscal year 1979, 6.2 million riders used the Northeast Corridor--more than half the total Amtrak ridership nationwide.

It is therefore sound to propose that a similar rapid rail connection be established in the heavily traveled corridor between Sacramento and the San Francisco Bay Area. It would be particularly fitting in view of Sacramento's historical role as a center of western railroading. In fact, you might say that Sacramento was the endpoint of the nation's first "rail corridor"--the Transcontinental Railroad.

The proposed Sacramento-San Francisco corridor would cover the 126 miles between Sacramento, Oakland, and San Jose. There is no train service on this corridor directly to San Francisco, though there is frequent bus service across the Bay from Oakland to San Francisco. The United States Department of Transportation has estimated 1985 ridership along the corridor, with six round trips daily, could reach 800,000 ~~million~~ annually.

During this hearing, we hope to look into the effects of public financing to upgrade the Sacramento-San Francisco railroad tracks and to provide improved passenger service.

We will hear testimony from witnesses knowledgeable on the area's transportation needs and on the feasibility of a rail corridor to satisfy those needs.

Mr. FLORIO. Thank you. As our first witness, we are very pleased to have with us—in a sense our host—the mayor of the city of Sacramento, Mr. Phillip Isenberg. Mayor, welcome to our committee.

Mayor ISENBERG. Thank you, sir.

Mr. FLORIO. As with all witnesses today, your prepared statement may be submitted for the record and will be entered in the record in its entirety, and the witnesses may feel free to proceed in summary fashion.

STATEMENT OF PHILLIP ISENBERG, MAYOR, CITY OF SACRAMENTO, ACCOMPANIED BY GREGORY N. HATFIELD, SR., MANAGEMENT ANALYST

Mr. ISENBERG. Thank you very much, Mr. Chairman, Congressman Matsui, I am honored to be here. Together with me at the table is Greg Hatfield, who is the senior management analyst in the city of Sacramento, responsible for much of the preparation of the testimony before you today.

At your suggestion, I will just summarize my testimony and concentrate on the points I believe are important to you.

First, the Sacramento-San Francisco corridor is probably one of the key corridors in the United States which could benefit from rail transportation. Ninety-eight percent of all the person trips per day to the bay area and back are by the least economical and energy-efficient method of private automobile. It strikes me that that fact, standing alone, ought to indicate that this is an area to which we need to devote a substantial amount of attention.

Second, I believe it is also a corridor where there is great potential for development. We are, as you know, the State capital, and our commuter trips between the San Francisco Bay Area and Sacramento reflect its legislative and governmental business. They also reflect, to a large extent, the interest in the business community and the private sector to deal with the bay area. Although Sacramento is not a center of heavy commercial and industrial use, it is growing in that direction and we are very close to becoming a regional center for office and commercial development. That means that we will have a greater transportation element required between here and the bay area.

But I suspect that beyond the question of whether it is desirable, you are also interested in the question of what, if anything, local government is prepared to do. You often are requested to provide all the money to solve all of our problems, and I would like to suggest to you that in this particular area the city of Sacramento and this community is prepared to cooperate with the Federal Government in developing a corridor that is meaningful, and one that is within the financial means of the Federal Government and local government as well.

I will speak directly to an issue that, frankly, your colleague, Mr. Chairman, knows more about than I do because he was involved in Sacramento's city government when this proposal was developed. Specifically, the city of Sacramento is prepared, and has made a financial commitment, to adopt policies which will contribute financially to the development of a local terminal here in Sacramento, which is the eastern end of that corridor.

Your committee is obviously aware of the multimodal transportation programs of the Federal Government. In 1975, we requested and received a planning grant from the Federal Government to develop the multimodal proposal. The city council has unanimously—on several occasions—supported that proposal. The concept is that together with the Federal Government, through UMTA grants, together with the State of California, which has already given a commitment of $1 million for this project, and with substantial local moneys, and with the cooperation of the private sector—particularly Southern Pacific—we are firmly convinced that we can help develop a transportation center at a total cost of somewhere in the neighborhood of $20 to $25 million, that will involve substantial local participation.

I think it is fair to say that you can add all the rail corridors you want, but if your terminals are not convenient, if they are not clean, if they are not safe, if they are not places where people would go, nobody is going to use the train.

A lot of the smaller terminals between the bay area and here have been upgraded. The last remaining stage to upgrade is Sacramento, which is the largest terminal on this end of the corridor. We have proposed an upgrading, substantially, of that terminal. My testimony has indicated the ways in which we are prepared to provide services to potential customers of that corridor and, Mr. Chairman, I think this is at least one case where the entire community here in Sacramento is supportive of the notion of rail transportation, and local government, at least, is willing to make a financial commitment to assist the Federal Government to get there.

Thank you very much.

[Testimony resumes on p. 157.]

[Mr. Isenberg's prepared statement follows:]

TESTIMONY OF THE HONORABLE MAYOR PHILLIP L. ISENBERG BEFORE THE HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. Chairman, Committee Members:

The City of Sacramento is honored to testify before your Committee today on the subject of intercity rail passenger corridors. Specifically, my testimony will focus on the corridor between Sacramento, San Francisco and San Jose.

Passenger rail transportation was once the chief intercity mode between Sacramento and the Bay Area. As recently as 1950, Southern Pacific offered eleven trains per day between Sacramento and Oakland on a 1-hour 35-minute schedule for one-stop service. Southern Pacific tracks were designed to handle speeds over 100 mph in the straight stretches, and crack passenger trains had priority over freights.

The growing use of the automobile and bus killed intercity rail by 1960. Today, one AMTRAK passenger train (San Francisco ZEPHYR) runs each way between Oakland and Sacramento.

Today the entire Sacramento-San Francisco corridor accounts for a total estimate of 111,372 daily person trips between Sacramento and the San Francisco Bay Area. Rail accounted for 38 trips, intercity bus 1,064, aviation 387 and auto 109,883. The same model (which is somewhat questionable) was used to project daily person trips for 1995 for a total of 171,881 daily person trips. Rail is projected at 545, intercity bus 2,654, aviation 1,658 and auto 167,034.

As one can easily see the automobile has predominated the travel mode between Sacramento and the San Francisco Bay Area. However, the continued predominance of the automobile for intercity travel depends on:

- Relatively uncongested freeways and high speed limits.
- Large percentage of a total trip on freeways.
- Adequate, convenient, cheap parking.
- Relatively high auto occupancy.
- Relatively low-cost energy supply, widely available.
- Efficient, non-polluting propulsion.
- Ability to purchase automobiles.
- Lack of an equally attractive alternative in terms of travel times, cost, convenience, or comfort.

I strongly believe that a major alternative for future travel between the Sacramento-San Francisco corridor is the upgrading of the passenger rail system and the implementation of the proper Multi-Modal Transportation Centers.

The citizens of metropolitan Sacramento, as well as the citizens of the San Francisco Bay Area would greatly benefit by a corridor upgrading project because it would:

- Reduce the dependency on the automobile and help achieve a balanced transportation system.
- Decrease necessity for disruptive expansion of the highway system.
- Reduce energy use.
- Reduce environmental impacts such as noise and air pollution and urban sprawl associated with growth in automobile traffic.
- Manage a multimodal transportation corridor including coordinated transportation and land use development.
- Promote closer ties between major regional centers for increased economic integration.

To obtain these benefits, additional trains will have to be added to the existing AMTRAK line. To increase ridership, proper scheduling will have to take place. As an example, if I attend a meeting at the Federal Building in San Francisco that is scheduled to start at 9:00 AM and end at 3:00 PM I must depart from Sacramento the previous day at 1:24 PM, arrive in Oakland at 3:59 PM, take the bus from Oakland to San Francisco, for a very reasonable fare of $9.25 and stay overnight to attend the meeting. After the meeting is over at 3:00 PM, I will once again have to spend the night and depart from Oakland the next day at 12:25 PM and arrive back in Sacramento at 2:27 PM. Basically I would have to devote the better part of two additional days to attend a six hour meeting if I were to ride the train from Sacramento to San Francisco.

To make intercity rail passenger service efficient between Sacramento and the San Francisco Bay Area two major components will need to be addressed:

(1) It is essential that the corridor between the two points provide for increased frequencies if the trains are to attract ridership. As an example, the AMTRAK San Diegan more than doubled its patronage with the addition of an additional three trains daily.

It is my understanding that the National Railroad Passenger Corporation (AMTRAK) has the operating rights between Oakland and Sacramento. To institute additional service, a sponsor must acquire equipment, improve fixed facilities, and provide 20% of the operating expenses for the first year. The City of Sacramento is in no position, after Proposition 13, and other budget constraints to sponsor or partly sponsor any portion of the 20% first year's operating expense. However, as my later comments indicate we can help financially in other ways.

(2) Upgrading of the terminals located at the proposed stops is essential and should be the financial responsibility of the State of California, local government and private enterprise with the help of a Federal UMTA (Section 3 Joint Development Grant).

The City of Sacramento is prepared to contribute financially to a local terminal.

Our plans are based on the final Sacramento-Stockton-San Francisco Bay Area Corridor Study[1], which advanced the strong possibilities of a high speed rail system (turbo-train) connecting the metropolitan areas of Sacramento and the Bay Area.

In 1975 the city received planning funds from the Federal Railroad Administration and the State of California to plan for an Inter-Modal Transportation Center. The city prepared and submitted to the Federal government a complete and detailed Inter-Modal Transportation Center proposal costing $21,213,000. This proposal has received a showing of significant interest from the Federal government and has a commitment of $1,000,000 from the State of California (a copy of the proposal is attached).

The present condition of five of the seven stations to be used from Sacramento through San Jose are excellent and ready to go. The State of California has provided a cross/platform station in Richmond linking AMTRAK and BART together. The Oakland station should be relocated to interconnect with BART in Oakland. The

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[1] Prepared for the California State Senate, Business and Transportation Agency, State of California, United States Department of Transportation, Metropolitan Transportation Commission, Sacramento Regional Area Planning Commission, and the San Joaquin Council of Governments (1973-1975).

Sacramento station needs to be funded, so an Inter-Modal Transportation approach can be provided.

Sacramento City government is prepared to offer extensive incentives to persons who would utilize the Sacramento Inter-Modal Transportation Center in the following manner; (1) connections with other forms of transit, (2) long and short term parking, (3) increased security for both the terminal building and parking areas, (4) limousine service between the Inter-Modal Transportation Center and the Sacramento Metropolitan Airport, (5) a revitalized terminal building containing a restaurant, gift shop and bar, (6) leased office space, (7) a performing arts theatre, seating between 300-400 persons, and an exhibition area, and (8) ultimate construction of a 300-room low-rise hotel, restaurant and 300,000 square foot low-rise garden office complex.

Conclusion

In conclusion, with the energy demands and resource gap widening every day, it is high time that an energy efficient intercity rail passenger corridor with Inter-Modal Transportation Centers attached be developed. The overall cost in dollars will pay for itself many times over in the years to come. I understand that if AMTRAK and the Southern Pacific Railroad Company can work out an agreement, AMTRAK can use Federal funds for the additional trains needed.

The State of California has available SB-620 funds to support the required 20% first year operational costs. It is estimated that the operational costs for this corridor will approach about $2.4 million yearly for the addition of three trains, thus producing a frequency of an additional six trips per day. This would be in addition to the existing one AMTRAK train that serves this corridor.

To make the upgraded intercity rail passenger corridor between Sacramento, San Francisco and San Jose really work, it will take the full cooperation of Southern Pacific Railroad, Federal government, AMTRAK, State of California, local governments, and transit mode operators to build and maintain an energy efficient system.

Once again, I appreciate the opportunity to testify before the subcommittee today and look forward to providing future assistance in any way possible in regard to this subject.

Very truly yours,

Phil Isenberg

Phillip L. Isenberg
Mayor

PLI/wl

Attachment

Mr. **Florio**. Thank you very much. Mr. Matsui?

Mr. **Matsui**. Thank you, Mr. Chairman. I might just add for the members present that Mayor Isenberg is one of the foremost supporters of mass transportation in northern California. I might also add that he is a colleague and classmate of our Secretary of Transportation, and hopefully that will help us sometime in the future obtaining some sums of money for this area.

I would like to ask you basically, could you describe in a little more detail the multimodal transportation network, and perhaps some of the cost figures involved in it, for the record?

Mr. **Isenberg**. Yes, I can. We have prepared and submitted to the committee copies of a letter sent to Mr. Ted Latz, head of UMTA in December, utilizing—you are correct, Congressman—whatever association I have with Neil Goldschmidt. We also attached an updated report on our multimodal transportation center.

Basically, the multimodal center will include the restoration and redevelopment of the old SP depot. It will also include, as part of that, private commercial development, freeing up, essentially, a large number of acres of land presently held by Southern Pacific, for private development. It is the freeing of the land for private development that generates the tax revenues, even under proposition 13, which decreases property taxes, that will allow local government to make a substantial contribution.

It is contemplated that facility would also eventually develop a hotel complex which would be easily available and convenient for the patrons of the train; office development which would be, I think, adaptable to State and Federal governmental office use, restaurants, performing arts centers, and so forth. I think, all things considered, it is a fairly realistic proposal in terms of concept because it is the last remaining area of downtown Sacramento where there is any land left that could be developed by the private sector.

As you well know, we are in the middle of a massive building boom in this community, both in residential and commercial structures, that seems—hopefully—to have no signs of abating. There is an enormous demand for land downtown. The cost aspects of it are roughly $25 million and, although we have a tendency to argue back and forth as to who should contribute what amount, and we are presently engaged in—what is the diplomatic phraseology—"meaningful and serious discussions" with Southern Pacific concerning the cost of the facility, I think it is fair to say that we are looking to the Federal Government for the bulk of the cost but not all of the cost. We are anticipating that State and local shares will be at least a third of the cost. Of course, for a city our size that is not a small amount of money but a major amount of money.

I should mention one last thing, which of course is that we are most anxious that the multimodal transportation center be exactly that, and that is that it would tie into our existing regional transit bus system, our limousines to the airport, our taxi service, and perhaps, most interesting, our own short-haul light rail system which, hopefully, will be developed on the eastern corridors between the city of Sacramento and about 12 miles out, a small community called Rancho Cordoba. The advantage of the Southern Pacific depot is, it is in the center of everything that relates to transportation. For us it makes it extremely attractive as a development site.

Mr. Matsui. If I may just ask you one last question. What is the distance from the State capital to this SP depot?

Mr. Isenberg. At the most it would be 10 blocks, and it is probably closer to 8 blocks.

Mr. Matsui. That would be less than a mile?

Mr. Isenberg. Oh, much less, sir. It is a very short walk.

Mr. Florio. Mayor Isenberg, I just have one question I would like to ask. First of all, I commend you for the initiative concerning the terminal. This is going on across the Nation. People have come to appreciate that a terminal's value, particularly in urban areas, is beyond just a transportation facility. It can be the focal point for redevelopment, and you certainly have tapped into that appreciation.

I would like to ask you a nonfinancial question because we know if we are going to develop these corridors financing is necessary, but service adequacy and speed as one component of service adequacy are also necessary. I am not sure what the situation is in your municipality, but I know that at least of one municipality in this corridor has local ordinances that provide, in some people's views, for unrealistic speed restrictions.

Would it be your thought that there would have to be some sort of approach that would entail the State's ability to supersede local ordinances so that reasonable speeds would be able to be kept?

Mr. Isenberg. Mr. Chairman, our community is not one that involves speed, and I think it is fair to say as a terminal point that does not directly involve us.

On the other hand, I think it is fair to say that Congress in developing its regulations concerning where it would like to put programs and the money, is going to have to take into account all the governmental actions which would either help or hinder that development. I think it would be difficult, indeed, to develop a fast rail corridor if at all the little stops between here and San Francisco you would have to adjust speeds at various levels.

I am aware that the city of Davis has imposed, I think, a 45-mile-per-hour speed limit. I assume, Mr. Chairman, that is the subject you are addressing. I personally am not opposed to the notion of the State of California being able to supersede local speed regulations. There are obviously safety questions that are involved, but I think those can be addressed in a fairly conventional fashion.

Mr. Florio. Mayor, thank you very much. We appreciate your hospitality as well as your testimony.

Mr. Isenberg. Thank you for coming here.

Mr. Florio. At this point, it is my understanding, we have a representative from Congressman George Miller's office. The Congressman had intended to be here, but we understand something has come up which precludes his ability to be here.

We would like to recognize the Congressman's contribution. Sir, if you would identify yourself for the record, we would be happy to enter the Congressman's statement into the record.

STATEMENT OF HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, PRESENTED BY NICHOLAS BEVILACQUA

Mr. BEVILACQUA. Thank you, Mr. Chairman. My name is Nick Bevilacqua. I work in the district office for Congressman Miller. He was detained in Washington and could not come out in time to deliver the statement. I have given the court reporter and the staff copies of his statement plus an attached resolution from the Board of Supervisors in Contra Costa County, supporting the proposal, editorial support from the Oakland Tribune, and a letter that Congressman Miller has sent to Secretary Goldschmidt.

The only other thing Congressman Miller wanted me to add—most of the things in the statement reemphasize the very points that you and Congressman Matsui made—was that in the city of Richmond we have what is called a cross-platform transfer. It allows people on the BART system to walk downstairs, walk about 15 feet, walk back upstairs, and make a connection with Amtrak. The transportation connections that are available in the bay area were already anticipated when that facility was built. Anybody on the BART system, without going to an open station, can go to the Richmond BART station and make a very easy transfer to Amtrak.

Mr. FLORIO. We would like to thank you for your appearance, and the Congressman's contribution in this area is certainly something we all recognize. Convey to him our thanks. His statement will be entered into the record in its entirety.

Mr. BELVILACQUA. Thank you, Mr. Chairman.

[Testimony resumes on p. 167.]

[Mr. Miller's prepared statement and attachments follow:]

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7th District, California

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ADMINISTRATIVE ASSISTANT

COMMITTEE ON
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TESTIMONY OF CONGRESSMAN GEORGE MILLER
PRESENTED BY NICHOLAS BEVILACQUA
TO THE HOUSE INTERSTATE AND FOREIGN COMMERCE
SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
JANUARY 15, 1980
SACRAMENTO, CALIFORNIA

Mr. Chairman, and members of the Subcommittee, it is indeed a privilege to be here this morning to testify on behalf of Congressman Miller on the proposed Amtrak service between Sacramento and San Francisco. Unfortunately, last minute developments have detained him in Washington, D.C., and he asked me to read his statement to you at this time.

Mr. Chairman, no one needs to be reminded of the grave situation we face regarding our future energy supply. The recent international developments only serve to further enhance our feeling that we MUST reduce our dependence on foreign sources of such a strategically important material as oil. We have done this with important metals by forming national strategic stockpiles, and the Congress has enacted legislation to create a strategic petroleum reserve. Without debating the problems of that reserve, it is clear that we must take every reasonable step possible to assure our national security and economic wellbeing by becoming more energy independent.

One of the ways to cut our oil consumption is to use what we have more efficiently, and get more passenger miles out of each barrel of oil. The proposal by Amtrak and the Department of Transportation to study the possibility of increased rail service in heavily traveled corridors is an important step in this direction, and one which I strongly support. I have previously written a letter to the Secretary of Transportation on this matter, and would like a copy of this letter inserted in the hearing record. I would also like to insert into the record a resolution passed by the Contra Costa Board of Supervisors, at my urging, which supports the idea of commuter train service between Sacramento and the San Francisco Bay Area, and an editorial in support of the idea from the Oakland Tribune.

The proposed rail service between Sacramento and San Francisco travels through a very busy corridor, with business and government officials commuting daily between the state capitol and the cities in the Bay Area. As the influence and importance of our state government has grown, so has the freeway traffic between Sacramento and San Francisco. A high-speed rail system, patterned on the highly successful Los Angeles to San Diego line, would draw commuters from their cars and reduce both traffic and energy use in California.

Such a train would have to run during prime commuting hours, and at a high enough speed, to attract the thousands of passengers that could be expected to use to use it. In this regard, I have urged the Federal Railroad Administration to take another look at their proposed changes in the Track Safety Standards that would have the effect of reducing the speed of trains, and therfore making them less attractive as an alternate form of transportation. We need to make trains faster, and more frequent, or there is no use in putting on the the tracks - No one will ride them.

In conclusion, let me emphasize that we need to push additional mass transit systems as quickly as possible to provide for a growing state and a growing nation. I believe that the addition of rapid rail train service between these two cities will fill a need now and in the future, and move our nation towards a more secure energy future. I support your efforts, Mr. Chairman, and would like to express my appreciation for the opportunity to testify today on this important matter.

The Board of Supervisors

County Administration Building
P.O. Box 911
Martinez, California 94553

Tom Powers, 1st District
Nancy C. Fahden, 2nd District
Robert I. Schroder, 3rd District
Sunne Wright McPeak, 4th District
H. Hasseltine, 5th District

Contra
Costa
County

James R. Olsson
County Clerk and
Ex Officio Clerk of the Board
Mrs. Geraldine Russell
Chief Clerk
(415) 372-2371

JAN [illegible] RECD

January 8, 1980

Honorable George Miller
Member of Congress, 7th District
367 Civic Drive
Pleasant Hill, CA 94523

Dear George:

In response to your letter of December 12, 1979, I am enclosing a resolution in support of your effort to obtain improved Amtrak service between the San Francisco Bay Area and Sacramento.

This County has been interested in such service ever since the California State Assembly introduced a resolution in 1970 to study an extension of BART to Sacramento.

County staff participated in a corridor study, which was started in 1973 and was completed in 1975. This excellent study was prepared jointly for the California State Senate, the State Business & Transportation Agency, U. S. Department of Transportation, Metropolitan Transportation Commission, Sacramento Regional Area Planning Commission, and the San Joaquin County Council of Governments. In 1976, the late Supervisor Jim Moriarty was appointed to represent this Board. In 1976, through Resolution No. 76/1096, the Board indicated its support for improved Amtrak service between Sacramento and the Bay Area (copy attached for your ready reference).

It has now been 10 years since we started to improve train service. Several times it looked like implementation was just around the corner. Unfortunately, nothing has happened so far. I hope that your efforts will finally bear fruit.

Sincerely,

Nancy C. Fahden,
Supervisor, District II
Chairwoman, Board of Supervisors
Contra Costa County

NCF/MLK:vcp
Enc.

IN THE BOARD OF SUPERVISORS
OF
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

In the Matter of
Improved Amtrak Train Service between
Sacramento and San Francisco Bay Area.

RESOLUTION NO. 80/11

Congressman George Miller has advised this Board of his efforts to obtain new and improved train service between the San Francisco Bay Area and Sacramento. This Board is convinced that train service in this inter-regional corridor is very important and has supported efforts for such new service since 1973.

IT IS BY THIS BOARD RESOLVED that it wholeheartedly supports Congressman Miller's efforts to obtain improved train service between San Francisco and Sacramento, and urges Secretary Goldschmidt and Amtrak President Boyd to institute such service at the earliest possible date.

PASSED by the Board on January 2, 1980.

CERTIFIED COPY

I certify that this is a full, true & correct copy of the original document which is on file in my office, and that it was passed & adopted by the Board of Supervisors of Contra Costa County, California, on the date shown. ATTEST: J. R. OLSSON, County Clerk & ex-officio Clerk of said Board of Supervisors, by Deputy Clerk.

Helen H Kent on January 2, 1980
Helen H. Kent

Originator: Public Works Department

cc: Public Works Director
  Secretary Neal Goldschmidt
    U. S. Dept of Transportation
  President Boyd
    Amtrak
  Adriana Gianturco, Director
    California Dept of Transportation

RESOLUTION NO. 80/11

letter file

December 3, 1979

Honorable Neil E. Goldschmidt
Secretary, Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Mr. Secretary:

I am writing to applaud your announcement of a study to determine the potential for increased rail service between San Francisco and Sacramento, California. As you may be aware, trains already going through this area now regularly stop in Martinez and Richmond in Contra Costa County.

The establishment of train service between these two cities would be an important addition to the transportation network in the San Francisco Bay Area. Much of the Bay Area is already served by the Bay Area Rapid Transit (BART), but there are important sections of the region that are effectively denied access to mass transit.

One of these areas is the West end of Contra Costa County, which includes Martinez. The trains that do stop at this station arrive at times which do not provide any help for commuters. Most of these commuters, who now drive to work, travel to either Oakland or San Francisco. They could use these new trains as a commuter link to those cities, or transfer from the train to BART to complete the trip.

There has been a substantial Federal investment in BART, and the addition of Amtrak service would provide an important supplement to this system. I am presently conducting a mail survey of my constituents on various energy issues. The survey contains questions on how they commute to work now, and how they would prefer to commute to work if they had options such as mass transit available. I can safely say that with the high price of gasoline, people would flock to these trains.

I am ready to assist in any way I can with the preparation of this study, and would appreciate being kept fully informed of its progress. Thank you in advance for your attention to this matter.

Sincerely,

GEORGE MILLER
Member of Congress

OAKLAND TRIBUNE - 12/6/79

Commute trains to Sacramento

It's good news that the federal Department of Transportation is studying the idea of putting daily commute-hour Amtrak trains into service between Oakland and Sacramento.

The trains, if approved, would serve commuters in the Martinez, Richmond, Oakland corridor.

If experience on other Amtrak lines is any indication, the trains between the Bay Area and the state capital should prove popular.

At present there are only two trains that stop in Oakland, Richmond and Martinez and connect with Sacramento. These are the San Francisco Zephyr between Oakland and Chicago, and the Los Angeles-Seattle train. Neither runs during the morning or evening commute hours.

Congress recently approved an ill-advised plan to make nationwide cutbacks in Amtrak service. We said at the time the cutbacks were wrong when the nation is facing increasing fuel shortages.

Recently released patronage figures show that many people are turning to the trains again. Average ridership over the nation was up 14 percent in fiscal 1979 over the year before.

In California, the increases were even more dramatic. For example, the Los Angeles-San Diego train carried 1.1 million people in 1979, a 40 percent increase over the year before.

The "San Joaquin", the Oakland-Bakersfield train, increased patronage by 24 percent and a second train is being placed into service on that run in February.

The Los Angeles-Seattle train showed ridership up 22 percent. The Zephyr from Oakland to Chicago increased 21.6 percent.

With California passenger trains chalking up some of the largest patronage gains in the nation, the time appears ripe to install commute-hour trains between the Bay Area and the capital, with connecting service at Martinez, Richmond and Oakland.

With more and more travelers seeking ways to avoid driving their cars and buying high-priced gasoline, it would not be surprising if the trains were an immediate success.

It's certainly worth a try.

Mr. Florio. Our next witness, a very, very important witness that we are pleased to have him here with us, is Mr. Louis S. Thompson, Director of the Northeast corridor project, Federal Railroad Administration.

Mr. Thompson, welcome to the committee.

STATEMENT OF LOUIS S. THOMPSON, DIRECTOR, NORTHEAST CORRIDOR PROJECT, FEDERAL RAILROAD ADMINISTRATION DEPARTMENT OF TRANSPORTATION

Mr. Thompson. Mr. Chairman, thank you very much for your invitation. It is our pleasure and honor to be here. This is one of the first opportunities I have had to exercise the additional responsibility I was given in mid-summer to handle the overview of all of the Amtrak budgeting and spending, not just the Northeast corridor project.

It is also a pleasure to be here under circumstances in which Secretary Goldschmidt, I believe, wants me to emphasize that his goals now are to strengthen Amtrak, to make it better, to improve its performance. It is clear, I believe, in that context that the emphasis for future Amtrak service ought to be on the kind of high-density service that is the most promising from an efficiency point of view; that it is much more efficient to concentrate our resources in areas where there is heavy ridership and heavy demand.

This means that the primary questions, I think, we have to focus on in considering corridor services are first of all to fit them into the national priorities that we have for transportation. Second, to sift through the priorities and possibilities for different corridors and to reach some kind of ranking on them; and then, finally, to take a look at these corridors and decide what can be accomplished and when, within what kinds of time periods.

I think one of the most difficult questions that we have to face is how much can be accomplished how soon, how to equip the programs we want to achieve and then to prepare some kind of realistic schedule, so that we do not bite off more than we can chew. Certainly, that was a problem with the Northeast corridor project in getting it started, and it is something we want to guard against in the future.

I want also to thank Congressman Matsui for being the host here, and it is a pleasure to discuss this topic with you.

I would want to emphasize that the method of selection for the 11 corridors that we are studying in response to your letter, Congressman Staggers' letter, and Congressman Madigan's letter, was basically to take an earlier ranking that we had gotten from the Aerospace study and to select out of it one corridor that I know was of interest to California, from Los Angeles to San Francisco; but at the same time to add back one from San Jose to Oakland, to Sacramento because we felt that represented a very, very interesting possibility to connect the State capital and a major population area, and then a major commuting area under circumstances under which corridor-type service makes sense—shorter haul, short time periods, perhaps higher speeds and higher population densities.

So, it is a pleasure to be in one of the places where we have actually added something to our earlier ranking, and I emphasize the value and I think the flexibility that you gave us in selecting the various corridors that we will be looking at.

I want to add some disclaimers, although I have some numbers I would like to discuss with you. I want to immediately add some disclaimers to those. As you know, our schedule in responding to you was January 30, and we are still deeply into putting together the final numbers and discussing them in some detail with Amtrak, so that we can give you an agreed range, or set of answers.

Consequently, what I will be giving you today represents initial indications from our point of view of what will be required and it does not represent a final answer for you.

Particularly, Amtrak has not joined completely with us in agreeing on these numbers, so that we may see some changes in the January 30 numbers we will submit to you.

As I discussed earlier, I am going to submit my statement for the record, and I would like to summarize certain points of it. We started off with a list, the top rank list, of the corridors, selecting the corridors for study, from the Aerospace study. We took out two of those corridors, Los Angeles to San Francisco and New York City to Montreal because in the definition we are using of "corridor-type service" those simply represented too long a trip time. We added back Oakland-Sacramento-San Jose because we thought that represented a good chance to demonstrate the connection of the State capital with a heavy population center, with the unusual travel patterns that would cause.

We then have decided just to scope the kinds of possibilities that we can offer, to take a look at two levels of upgrading, and to take a look at several different levels of frequencies. Again, this is an unusual situation because, as I am sure will come out in other testimony today, the type of service which is now available from San Jose to Sacramento is almost nonexistent. In fact, the only way to get from Sacramento to San Jose, the other end of the population area, is to spend the night in Oakland because the connection between the Starlight and the Zephyr is such that we cannot get there in one day. If you go in the other direction, you cannot get down from here to San Jose in a day. What we will be looking at is frequencies of three trips a day in each direction, running from San Jose through Oakland to Sacramento, and also frequencies of six trips a day each way.

We will also be looking at potential speeds of 79 miles an hour and 110 miles an hour. Seventy-nine miles an hour requires a little explanation. That is the highest speed at which presently trains are allowed to operate without cab signals or some kind of automatic controls over the speed of the train. Any speed beyond that requires special signaling and a much heavier investment.

I should add right now that Southern Pacific has a maximum speed of 70 miles an hour over the track for reasons that are not completely clear to me, although I know in the past railroads have elected to reduce the speed below 79 miles an hour for various purposes.

I would think that one of the first issues that is posed by a number of these corridor studies will be a discussion with the railroads involved to see what the reasons are for speed limits which are less than those which the track itself would permit, and to see what the cost problems are associated with changing those speeds.

We will also be looking at two different assumptions about the price of gasoline in 1985, the year on which the analysis will be focusing. One would be a trend-based projection of $1.40 per gallon, another would be a high of $2.50 a gallon in today's dollars. We are not very far from the first one now. The second one does not appear impossible to me.

We would also be looking at what would happen if the supply of gasoline were limited by 10 percent or perhaps by 20 percent, to get a feeling for what would happen to travel patterns if travel by automobile and by air is restricted by the availability of gasoline.

Let me turn now to some of your questions and say that, again, I am not able at this point to answer all of them, and in some cases the answer that I have is not in the detail that I think we would like to have. Really, what we will do—with your permission—is furnish the details later for the record of this hearing, when we have them available.

Your first question was, What is the potential demand for rail service and the potential for energy savings from upgrading the Sacramento-San Francisco-San Jose corridor, and what would that cost?

With respect to the demand, as I said earlier, it is very difficult to use what we have now as a base because there is no good connection that permits travel the full length of the corridor, they both focus on Oakland. Secondarily, the number of trips per day is pretty low between San Jose and Oakland and is limited to between Sacramento and Oakland. So, it is a little hard to use that as a base.

Our indications right now, based on some broader method of estimating demand between population centers as a function of the frequency and the speed suggests that for three trains a day at 79 miles an hour top speed there could be as many as 300,000 to 400,000 passengers a year riding in the corridor under discussion.

If we increase that to six trains a day and top speeds of 110 miles an hour, there could be as many as 600,000 to 800,000 passengers a year. This would then mean between 100 and 130 passenger miles per train mile. I might add that the studies that we are working on show that the frequency and the reliability of the service under these conditions is probably more important than the high speed, so that change in the demand associated with the frequency and trip time is probably more related to the frequency than to higher speed.

With respect to energy savings, we are estimating now, depending on the demand estimate, somewhere between 20 and 40 barrels of oil per day. That is not an awfully large number, primarily because it depends on estimates that one makes with respect to energy consumption for automobiles and where we think the demand is coming from.

It is often difficult, in comparing passenger services, to justify the institution of rail service purely on the basis of energy. I think one has to look more broadly than that to economic development and the influence that rail has on that, before you can get the full value of the payoff from it.

With respect to the cost of upgrading, again, we have had our track safety inspectors from the Federal Railroad Administration go out and walk the track, and give us estimates of the condition of the trackage now and how much they think is physically required in order to be able to upgrade the track to the two conditions that we discussed.

I also have then applied nationwide average costs for things such as ties and certain other engineering work to try to get an estimate of what we can start with for talking purposes. Again, I want to be careful to qualify, this is based on the Northeast corridor experience suitably modified to reflect different conditions. The best we will be able to give you is a range of numbers which I believe is suitable for evaluation purposes, but would not be suitable for discussion of a definite program to get something done.

What we would recommend, before deciding on any program would be to undertake much more detailed engineering studies to determine exactly what the cost would be.

Because this is a mainline track for Southern Pacific, almost all of this area is mainline track, there is practically no track work required to bring the entire corridor to class IV standard, permitting 79 miles an hour. We can see only moderate additional work to get to 110 miles an hour. We do not see major problems with capacity to handle additional trips. As a matter of fact, as was common 10 or 20 years ago, there were many more passenger trains than there are now. Freight traffic was not greatly different from what it is now, so that it is hard to see why there should be major problems in achieving the kind of frequency we are talking about.

However, if we wanted to go over 79 miles an hour, and if we wanted to go to six trains a day, we might well have to think about installing signaling systems such as centralized traffic control in order to improve the capacity of the line.

Assuming the work here can be done as early as 1981, the cost of a 79-mile-an-hour upgrading could range from $4 to $6 million in track work, and 110-mile-an-hour upgrading could run from $13 to $18 million. Again, these are preliminary estimates and we have not had a chance to discuss them with Southern Pacific.

I want also to characterize these as the starting point to get the track up to these kinds of conditions. If you wanted to maintain it there, especially under increasingly heavy traffic and loading conditions, there probably would be a fair amount more involved.

Adding to those allowances for station rehabilitation and construction of grade crossing elimination protection, we arrive at estimates from between $200,000 to $400,000 for a station program to as much as $3 or $4 million, depending on how thoroughly you want to go into the process of building new stations or protecting and upgrading the ones we have.

For grade crossings, we are estimating somewhere around $3 million, just to put bells, gates, and lights where they do not now exist. If we wanted to do any significant amount of grade crossing elimination, we are talking as much as $1.5 million per grade crossing to be eliminated. The money adds up very, very quickly.

In summary, the cost of a minimum track and signal upgrading, station upgrading, and grade crossings work could range from $8 to $25 million, without counting necessary grade separation, and depending on what kind of frequency we are talking about.

I will skip over question 2 because I already answered it in question 1.

Question 3 was, based on the above frequencies, what would be Amtrak's equipment needs? The answer to this obviously depends on the level of demand that materializes and the frequency that we are talking about. It would appear that we would require somewhere between 3 and 6 locomotives, and 9 to 15 cars, so that the capital cost would be somewhere between $10 and $18 million for all of the equipment required.

Your fourth question was, If the Sacramento-San Francisco-San Jose corridor were upgraded, what percentage of operating costs could be covered by revenues, and how would this figure compare with the current cost-to-revenue ratio on the Sacramento-Oakland portion of the route?

Unfortunately, I cannot answer that question for two reasons. First of all, we have not yet worked out with Amtrak the projections of the revenue-cost ratio; second, it is almost impossible to sort out the revenue-to-cost performance of a particular part of a long-haul route because of the cost allocation problems.

Your final question was, What operational or other problems do you envision if passenger train frequencies were increased on this route?

We have already discussed the fact that certain signal investments are necessary to increase the frequency of trains to the levels contemplated. The question of just how much of an investment in centralized traffic control is required to accommodate six trains per day and whether any additional sidings are required, cannot be answered without further study. Nevertheless, the level of freight and passenger traffic would be well within the capacity of this railroad line, and we would not anticipate problems if the appropriate investments were made.

That concludes what I am prepared to say. I will be pleased to respond to any questions you have.

[Testimony resumes on p. 183.]

[Mr. Thompson's prepared statement follows:]

TESTIMONY OF LOUIS S. THOMPSON
DIRECTOR, NORTHEAST CORRIDOR PROJECT
FEDERAL RAILROAD ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION
before the
SUMBCOMMITTEE ON TRANSPORTATION AND COMMERCE OF THE COMMITTEE
ON INTERSTATE AND FOREIGN COMMERCE
U.S. HOUSE OF REPRESENTATIVES
JANUARY 15,1980

My name is Louis S. Thompson of the U.S. Department of Transportation. I am Director of the Northeast Corridor Project within the Federal Railroad Administration. This project involves major reconstruction of the railroad line between Washington, D.C. and Boston Mass., including tracks, signals, electric traction power, communications, stations and maintenance facilities. Congress has authorized $1.75 billion for this project and the Administration has requested an additional $750 million. I have also been given the responsibility of administering the Department's program of operating and capital assistance to Amtrak ----- a program amounting to some $873 million for fiscal year 1980. On October 10, 1979, Congressmen Harley Staggers, Chairman of the House Committee on Interstate and Foreign Commerce, James Florio Chairman of the Subcommittee on Transportation and Commerce and Edward Madigan Ranking Minority Member of the Subcommittee, wrote to Amtrak and the Department requesting an analysis of rail passenger corridors having the greatest potential to attract substantial ridership and save energy. My office was given the responsibility of preparing the Department's contribution to this analysis, in collaboration with Amtrak. The time available for our analysis has been very short ----- we were asked to submit the information by January 30.

I must emphasize that the information presented in my testimony is drawn from very preliminary results of an analysis which even in its final form will have been done with some haste. It would be premature at this stage to identify any corridor upgrading as having costs which are exceeded by the benefits. There is no intent by the Department of Transportation at this stage to suggest a new program or other Federal upgrading activity. For this, many elements would need to be considered including the responsibility of the States vis-a-0-vis the Federal Government for financing such a program.

Because of the incomplete state of our analysis, I have not been able to answer all of the questions which Congressman Florio asked us in connection with this hearing, and in some cases I have not been able to answer in enough detail. I would be happy to supply more complete answers for the record after our analysis is submittted. Furthermore, Amtrak has not yet had adequate time to review the figures with us and some of the figures could well be different in our final submittal as a result of this joint review. Amtrak wishes to make it clear that it will not go on record with these numbers at this time, but in the interest of being responsive to Mr. Florio's request I am presenting some of the information, with appropriate disclaimers and reservations.

Before answering the questions which Mr. Florio has asked us in connection with this hearing, I would like to summarize very briefly the nature of our analysis requested for January 30, from the preliminary results of which the answers to these questions are derived.

We first identified eleven corridors with the greatest potential for attracting substantial ridership and saving energy and on which we intended to focus the subsequent analysis. This list was drawn up primarily on the basis of a 1977 study prepared for the Department by a contractor, the Aerospace Corporation, pursuant to Section 901(6) of the Railroad Revitalization and Regulatory Reform Act. In that study, corridors were ranked on the basis of current rail ridership as well as potential demand, considering all modes of travel. In preparing our list we removed two corridors from the top ranked list contained in the Aerospace Study and added others. (The list has not been expanded from 11 to 18.) The Los Angeles to San Francisco corridor was one of those removed because of the competitive disadvantage of rail due to the excessive distance involved. The Bay Area to Sacramento route was added because of the opportunity to link a State Capital, which typically generates a high number of trips in relation to its population, with a nearby major metropolitan area by rail, as in the case of the well developed corridor services of Albany-New York City and Harrisburg-Philadelphia on the East Coast. The specific rail route chosen to potentially serve the Bay Area to Sacramento corridor was the Southern Pacific route from Sacramento to San Jose via Davis, Suisun-Fairfield, Martinez, Richmond, Oakland and Newark, for a distance of 129 miles.

For each corridor we have considered two levels of upgrading and have developed demand estimates, upgrading cost, and other information for each level. We have considered two different frequencies of service -- 3 and 6 trips per day each way for San Jose-Sacramento. The upgrading levels considered were 79 mph maximum speed and 110 mph maximum speed. However, this does not mean that a speed of 110 mph could be maintained for the entire distance, but rather that 110 mph could be reached where the curves are not restrictive or where prudence would not dictate a slowdown because of closely spaced grade crossings or other conditions. I should add that Southern Pacific now has a maximum speed of 70 mph on its railroad as a matter of policy, even where trains could safely travel at higher speeds. Clearly some agreement on appropriate circumstances for relaxing this policy would need to be reached with SP before operating at higher speeds than at present. Further, there are municipal or county speed limits on many parts of the route, some of which are not necessary to maintain safety. We have assumed that many of these restrictions would be relaxed in order to arrive at a more attractive running time.

We have also made two different assumptions about the price of gasoline in 1985, the year on which this analysis focuses. These are a trend based projection of $1.40 per gallon and an upper limit projection of $2.50 per gallon. Both figures are in terms of today's dollars and clearly both would be higher in terms of 1985 dollars. We are also developing estimates about what could happen if the supply of gasoline were further limited by 10 percent. The President's authority for gas rationing under current law is triggered by a 20% reduction in supply.

Using the above assumptions and the trend based gas price, we have produced preliminary estimates of potential demand, cost of upgrading, energy savings, equipment needs, operating costs and revenues. I will now answer Mr. Florio's questions and discuss how we arrived at the answers.

1. What is the potential demand for rail service and the potential energy savings from upgrading the Sacramento - San Francisco - San Jose corridor, and what is the cost of the upgrading?

a. Demand

At the present time the amount of train travel on the corridor is a bad indicator of the potential ridership, because of the nature of the present service. In particular, one leg of the Zephyr runs between Sacramento and Oakland and one leg of the Coast Starlight runs from Oakland to San Jose, each with one round trip per day and no connection at Oakland. In 1978 there were only 11,500 Amtrak passengers between these cities. In order to estimate potential riders we used a forecasting technique derived from information on passenger demand in other corridors where there is good rail service. This technique incorporated a relationship between the percent usage of different modes of travel and the service offered by each mode. Our very preliminary projections indicate that for three trains per day and 79 mph top speed there could be 300,000 to 400,000 passengers per year and for six trains per day and 110 mph top speed there could be 600,000 to 800,000 passengers per year. This would mean 100 to 130 passenger miles per train mile. Studies have shown that frequency and reliability in corridor service are usually more important than top speed in attracting passengers.

b. Energy Savings

The energy savings will of course depend on how many of these people would be traveling if train service were not available and what other modes they would be using. Depending on the demand estimates we calculate that the savings would range from about 20 to 40 barrels of oil per day. However, past studies have shown that if corridor service is considered only on its merits as an energy saver, the subsidy per barrel saved could be quite high.

At this point we have not yet calculated demand and energy savings under our assumed upper limit of gas prices or an assumption of limited supply. Under either of these scenarios, there would undoubtedly be more train riders. However, it is unclear whether the train service per se would be responsible for more energy savings. I must also add that these are very preliminary figures subject to some refinement in our report.

c. Cost of Upgrading

Physical requirements for upgrading track and signals to appropriate standards were identified by field inspections conducted by Federal Railroad Administration track safety inspectors and later costed out using the latest unit prices and appropriate contingency and inflation factors. The line is already in good overall condition, particularly from Sacramento to Oakland and requires comparatively little trackwork to bring the entire corridor to class IV standards permitting 79 mph speeds. It requires only moderate additional work to permit 110 mph speeds. The requirements for signals will depend on the frequency of service as well as the speed proposed. In particular, in order to travel at speeds above 79 mph on portions of the line, cab signal controls would have to be installed over those portions, and on the locomotives. In addition, a frequency of three round trips per day might require centralized traffic control (CTC) over a thirty mile length of single track between San Jose and Oakland. With six trains per day and higher speeds it would almost certainly be necessary. Assuming installation as early as 1981, the cost for a 79 mph upgrading would range from 4 to 6 million dollars and the cost of a 110 mph upgrading would range from 13 to 18 million dollars. Again, these are preliminary and subject to review. We have not discussed these estimates with Southern Pacific.

Both the 79 mph upgrading and the 110 mph upgrading must be characterized as the minimum level of improvements required to operate at these speeds. To maintain the service over a long period of time, to make significant improvements to ride quality at these speeds, and to enhance further the safety and operating flexibility, considerable additional investment could be required.

To the above estimates must be added allowances for station rehabilitation and construction and for grade crossing elimination or protection. For stations our estimates range from a low level program costing $200,000 to $400,000 to a high level program costing $3 million to $4 million. For grade crossings the extent of protection or elimination would depend on the frequency and maximum speed. Installing crossing gates and lights where they do not now exist would cost about $3 million, and any program involving grade crossing elimination would cost considerably more -- about $1.5 million per crossing. The extent of such a program would depend on a more detailed analysis of the hazards at each crossing on the line.

In summary the cost of a minimum track and signal upgrading, station upgrading and grade crossings work could range from $8 to $25 million without counting necessary grade separation and depending on the level of frequency and top speed picked as a target.

2. What operating speeds and train frequencies would be required to achieve the above ridership and energy savings?

The answer to question 2 is contained within the context of question 1.

3. Based on the above frequencies, what would be Amtrak's equipment needs?

Equipment needs would depend on what level of demand actually materialized within the ranges previously mentioned. Choosing a reasonable set of values in these ranges, service could be provided at 3 trains per day with two working train sets, each consisting of one locomotive, two Amfleet cars and one Amcafe car; with six trains per day there would be four working train sets of the same number of cars. If 110 mph service were contemplated the locomotive would have to be appropriate for the higher speed and somewhat more expensive. With appropriate spare capacity factored in, the equipment requirements would be as follows:

Speed/frequency		Locomotives	Cars	Capital Cost ($ millions)
79	3	3	9	10
79	6	5	15	17
110	3	3	9	11
110	6	5	15	18

Again, this would depend on the passenger demand estimates, which we are still reviewing.

4. If the Sacramento - San Francisco - San Jose corridor were upgraded, what percentage of operating costs could be covered by revenues? How would this figure compare with the current cost to revenue ratio on the Sacramento - Oakland portion of this route?

I am hesitant to present even preliminary results here, and I would prefer to submit any numerical estimates for the record at such time as our analysis is complete.

It would be difficult in any case to compare this with current experience on the Sacramento - Oakland portion of this route since this is only operated as a small portion of a long distance route to Chicago. The costs and revenues are not separable for the portion and would not be comparable with a corridor service.

5. What operational or other problems do you envision if passenger train frequencies were increased on this route?

We have already noted the fact that certain signal investments are necessary to increase the frequency of trains to the levels contemplated. The question of just how much of an investment in centralized traffic control is required to accommodate 6 trains per day and whether any additional sidings are required cannot be answered without further study. Nevertheless, the level of freight and passenger traffic would be well within the capacity of this railroad line and we would not anticipate problems if the appropriate investments were made.

Mr. **Florio**. Thank you very much. Mr. Matsui?

Mr. **Matsui**. Yes; what is the percentage of operating cost that is covered by revenues in the Northeast corridor; do you happen to have those figures available?

Mr. **Thompson**. I can give you the exact figures for the record, sir. You have to split that out between the different types of services that are now offered. The best figures we have available for the Metroliners suggest that right now about 60 percent of the cost is being covered by revenues.

Mr. **Matsui**. Do you feel in your study—and I realize you have not completed it yet—for the Sacramento-San Francisco Bay Area corridor would be comparable?

Mr. **Thompson**. No, sir, I would suspect that the study would show a lower ratio of revenue to cost; but we will have to see what the answer to that is.

Mr. **Florio**. Would the gentleman yield?

Mr. **Matsui**. Yes.

Mr. **Florio**. The point that was made yesterday is that the State of California is extremely generous in providing assistance, and that those moneys should also be included in the whole balance. I know it is early in terms of making those types of determinations, but in responding to Mr. Matsui's question, I assume you were thinking in terms of direct passenger contributions.

Mr. **Thompson**. Yes, sir.

Mr. **Florio**. You would, I assume, also modify your evaluations should there be contributions from State and local organizations, so as to improve the more expanded definition of revenue so as to make a determination of feasibility with regard to overall revenues, from wherever they come, versus costs?

Mr. **Thompson**. Well, certainly, one answer to that question is that there are a number of different ways in which the service can be provided. If the State of California wanted to provide the operating deficit, or operating assistance under the 403b type of service, the Department has said that it would try to provide, or would support providing, as much of the 403b service as any State wanted to ask for.

So, yes, very definitely, that would be taken into consideration. I think it is also fair to say that, as you suggested earlier, the willingness of the State or local communities to put up money is a very, very powerful indicator of the interest there is in riding the trains and having the service. It is much easier at our level to justify the kinds of capital investments that we are talking about, and operating money that we are talking about, if there is State and local participation to match it.

Mr. **Florio**. Thank you.

Mr. **Matsui**. Thank you.

Mr. **Florio**. I would like to ask a few questions on things left over from yesterday. State people suggested that upgrading the San Diego to Los Angeles corridor would cost $70 million. It is my understanding that there is a study that DOT is working on would state that for similar work, or for similar standards to be met, the figures being tossed about are something like $10 or $12 million. Can you reconcile the great divergence in terms of dollars that is put forth by the two studies?

Mr. THOMPSON. Yes, sir, I can. Again, these are preliminary numbers and I would like to, when our study is submitted, provide you a chart for the record that will show you exactly how we reconcile these costs.

The primary difference is that the State of California would like to go, or has proposed to go, much further into the station area and curve realinement area, and especially in the tunneling area, than the cost numbers that we are looking at would suggest. For example, as I understand it, the State of California has around $33 million in their number for a tunnel through Miramar Hill. That, alone, is more than half of the difference in what we are talking about.

Another major component in the difference is in additional station investment that we have not looked at, in pedestrian crossings over the track, which we are not taking a look at; and in a certain amount of grading and slope protection work, and particularly work in the Union Terminal in Los Angeles to permit more efficient movement in and out of the station.

But basically our approach is, I think, one of taking the first bite and seeing what could be done on a minimum level in order to demonstrate what the service can do and what the ridership will be, and what the payoff potential for each of these corridors is. To put this in perspective, a similar program was done in the Northeast corridor, as you probably remember. A combination of Federal and then Penn Central, or Pennsylvania Railroad money was invested in 1967 and in 1968, providing an initial try on what the service could do, and what the payoff would be. Then came the Northeast corridor project, when the potential was demonstrated, to really fill in and provide a total type of service.

California's proposal, basically, includes everything that the State might ultimately want to do in all of the stations, all of the tunnels, and all of the grade crossings. Our approach starts with enough improvements to assess whether there is a major payoff, and then considering from there what might be done in the long term.

Mr. FLORIO. In light of DOT's recommendation that Amtrak assume overall authority over the Northeast corridor, is it your thought that this is the approach to be taken for all of the emerging corridors, that Amtrak should be charged with the responsibility of developing those corridors?

Mr. THOMPSON. Well, I do not know that the first part of your question, sir, that Amtrak assume responsibility for all of the operation of the Northeast corridor——

Mr. FLORIO. Complete management authority for the corridor.

Mr. THOMPSON. I do not know that we have recommended that. We have said that we would want to discuss that further. I would think that Amtrak would control or operate the service in all of the emerging corridors that we are looking at. They now operate all of the service here, and it would be a simple extension of what they do.

Mr. FLORIO. How about the actual development—not just the management and service, but the development of the corridors and management of the development of the corridors—should that properly be a function that Amtrak be charged with?

Mr. THOMPSON. Well, I think you would want to take a look at each corridor by itself. Where a single railroad is involved in the corridor, such as Los Angeles to San Diego, where the Santa Fe Railroad owns and operates that track, probably the most efficient mechanism would simply be to fund Amtrak, who could then fund the Santa Fe Railroad, and the work would probably be done and managed by the Santa Fe.

Where we have a multi-State corridor, and a multirailroad corridor—and there are several examples of that—you might want to look at a broader Federal presence, at least in the initial planning of the corridor. But certainly, there is nothing on the administrative or political scale of the Northeast corridor—several different railroads and several different owners—that would require the kind of Federal presence that we had there.

Mr. FLORIO. Could you characterize the Southern Pacific's reaction to the proposal for the Sacramento-San Jose corridor improvement project?

Mr. THOMPSON. Thus far we have not been able to discuss that with them. We simply informed them that we are doing this study, but we have not asked them to comment on our numbers, and I want to be very clear about that. Certainly, one of the very first things that would be done if we proposed to take action here, would be to have discussions with the Southern Pacific.

Mr. FLORIO. It has been represented to me that your corridor study has been expanded from the 11 corridors, and is now a discussion of about 18 corridors.

Mr. THOMPSON. Yes, sir.

Mr. FLORIO. Can you give us the other corridors that are being discussed, and why these new corridors have been injected? What was the criterion change that prompted the additional seven corridors?

Mr. THOMPSON. Well, we were specifically requested by Congressman Staggers and Congressman Madigan to add some 5 or 6 possibilities to the list of 11 that we had originally given you. That list was Jacksonville to Orlando to Miami; Washington to Richmond; Atlanta to Savannah; Atlanta to Nashville; Cleveland to Cincinnati; and the Northeast corridor feeder routes of which we simply said they were part of the Northeast corridor project, and they asked us to report on those sections. So, those were the ones.

Mr. FLORIO. So, these are the ones that you are exploring, and you have not yet come to a conclusion as to whether these are appropriate subjects for the emerging corridor program?

Mr. THOMPSON. We were specifically asked to investigate those, and we will do so. We hope to respond on several of those by the end of January, and the remainder by February 18.

Mr. FLORIO. In your comments you made reference to the problem, or the nonproblem, of freight interference on the route that we are talking about now. I recall your testimony saying there did not appear to be a problem with freight operations, which were essentially the same in the past as they are now. Freight services continues to be more frequent than passenger service. Is it your thought that there should not be a problem with freight interference with passenger lines should there be a reasonable increase in passenger traffic?

Mr. **Thompson.** Again, in this particular line our initial indications are that there should be no problem with freight and passenger interference, or that the problem should be resolvable.

That would not necessarily be true, for example, from Los Angeles to San Diego where the problem you are referring to is somewhat different. The Santa Fe Railroad some years ago went through a program of eliminating passing sidings, at places where they thought they could avoid maintenance. What that means is that now the capacity of the line is not as great as it once was, and it is entirely possible that if the frequency of the service were to be raised in that corridor, those passing sidings would have to be added back.

We do not see a similar track capacity problem from Sacramento to Oakland. There is something of a problem, potentially, from Oakland to San Jose because the capacity of the track becomes single track in part of that territory. If that is a problem, then either centralized traffic control, additional passing sidings, or some kind of combination of those would have to be added.

Mr. **Matsui.** Mr. Chairman, would you yield?

Mr. **Florio.** Yes.

Mr. **Matsui.** On that point of freight delay, let me read a statement to you that will come up in further testimony. "We estimate that the delay of a typical 100-car freight train costs approximately $6 per minute." Do you have any cost studies on what the delay of a 100-car train would cost per minute?

Mr. **Thompson.** There have been some similar studies performed in the Northeast corridor, and I can certainly give you the results of those. I do not have the numbers with me right now, but I can get them for you.

Mr. **Florio.** The testimony yesterday from Amtrak indicated that an expectation of 110-miles-per-hour service, is not as realistic as it could be. Do you share that thought?

Mr. **Thompson.** Well, I would add the caution that 110 miles an hour does not have the payoff that it would appear to have in terms of trip time savings. In most cases the trip time savings come from operating a uniform 79 or 80 miles an hour, and the increase to 110 miles per hour does not pay off all that well.

On the other hand, if you have a straight piece of track, the difference in cost between 79 miles an hour and 110 miles an hour is not that great. It is a question of the alinement of the track, the capital cost of getting it to that point, and in some cases installation of signals. The difference in cost can be in the maintenance of that track, especially if there is very heavy traffic over the line.

Mr. **Florio.** Mr. Thompson, thank you very much for your testimony.

Mr. **Thompson.** Thank you very much for the chance to testify.

[The following letter was received for the record:]

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
WASHINGTON, D.C. 20590

APR 24 [illegible]

The Honorable James J. Florio
Chairman, Subcommittee on
 Transportation and Commerce
Committee on Interstate and Foreign Commerce
House of Representatives
Washington, D. C. 20515

Dear Mr. Florio:

For the record, below are the responses to two questions in connection with the hearing on Intercity Rail Passenger Corridors held on January 15, 1980, in Sacramento, California. Please excuse the lateness of our reply.

1. What is the Federal Railroad Administration (FRA) estimate of cost per minute for freight train delay?

   A 1978 study estimated a cost of $3.00 per minute for freight train delay on the Northeast Corridor (NEC). I believe this figure to be somewhat inflated. It does represent, however, the maximum cost per minute that could be incurred on the NEC. The cost per minute for freight train delay on the Sacramento-San Jose Corridor should not exceed the costs on the NEC.

2. What is the reconciliation/comparison of FRA vs. Caltrans costs for the San Diego-Los Angeles Corridor?

   Enclosure 1 compares the results shown in the Caltrans Report-West Coast Corridor Study-June 1978 with the preliminary figures obtained in the FRA/Amtrak Emerging Corridors Study. Adjustments have been made to the FRA/Amtrak results to portray 16 trains/day to match the Caltrans Service Level II.

When adjusted for changes in fare levels the revenue predictions agree very well. The differences in operating costs are probably to be found in the definitions used, with the Caltrans data reflecting allocations of overhead costs excluded from the FRA/Amtrak data.

The additional capital costs for track and signaling in the FRA/Amtrak figures reflect the cost of an additional track from Hobart to Fullerton. The lower FRA/Amtrak cost for locomotives and cars reflects a higher level of utilization with rapid turn-around at each end of the route.

We have also compared the FRA/Amtrak requirements for capital expenditures with the later Caltrans draft report "Rail Passenger Service Capital Improvement Program," dated September 1979, on the basis of achieving a 2 hour Los Angeles-San Diego trip time. (See enclosure 2)

The main differences are summarized below:

1. Caltrans has achieved trip time reduction by major track improvements, including tunneling, where FRA has assumed higher operating speeds. In addition, the Caltrans proposal for trip time reduction has also provided the extra time needed for additional stops.

2. The higher operating speeds and the need for additional running track together account for the much higher FRA signaling cost.

3. FRA estimate proposed the elimination of less grade crossings and the better protection of the remainder.

4. The Caltrans proposal included major rehabilitation of terminals, and new construction. FRA proposed only essential work at existing terminals.

5. Slope protection and other minor expenditures are excluded from the FRA costs.

Sincerely,

Louis S. Thompson
Director
Northeast Corridor Project

Enclosures (2)

cc: Mr. Roger Hackney
Office of Congressman Robert T. Matsui

Enclosure 1

COMPARISON OF CALTRANS AND FEDERAL RAILROAD ADMINISTRATION FORECASTS FOR LOS ANGELES-SAN DIEGO CORRIDORS

	Caltrans II		FRA/Amtrak	Change
Trip Times	2 hrs. 20 mins.		2 hrs. 15 mins.	-5 mins.
Passengers	1,310,000		1,299,000	-11,000
Price Levels	1975 $ M	1980 $ M	1980 $ M	
Revenue	6.0	14.4(1)	14.2	-0.2
Operating Costs				
Caltrans	15.2	22.8(2)		
FRA/Amtrak Long Term Avoidable			21.1	-1.7
Shortfall	9.2	8.4	6.9	-1.5
Minimum Capital Costs				
Track	7.3	11.0(2)	16.8	+5.8
Signals	1.7	2.5(2)	4.1	+1.6
Rolling Stock	36	54	36	-18

Note (1)
Adjusted to Emerging Corridor cost per passenger mile which is based on later data and escalated to 1980 level.

Note (2)
Escalated to 1980 level.

Enclosure 2

COMPARISON OF CAPITAL COSTS IN CALTRANS DRAFT "RAIL PASSENGER SERVICE CAPITAL IMPROVEMENTS PROGRAM" AND FRA/AMTRAK MINIMUM ESTIMATES

2Hrs:00 MINUTES TRIP TIME

	Caltrans $ Millions	FRA/Amtrak $ Millions
Track	3.5	17.0
Curve Realignment	7.5	
New Tunnel	33.0	
Los Angeles new connection	16.9	
	60.9	17.0
Signaling	0.5	14.4
Total T&S	61.4	31.4
Grade Crossings, Etc.	33.3	16.4
Stations	40.6	1.4
Slope protection	6.5	
Misc.	1.7	
	8.2	
	143.5	49.2

Mr. FLORIO. As our next witness we are pleased to have here one of our colleagues from the California delegation, Congressman Fazio.

STATEMENT OF HON. VIC FAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. FAZIO. Thank you, Mr. Chairman. I want to join in welcoming you to Sacramento and California. Today we are referring to ourselves as the "Venice of the West."

Mr. FLORIO. We also have jurisdiction over inland waterways.

Mr. FAZIO. Moving into the Merchant Marine and Fisheries territory.

I also want to commend my colleague from Sacramento, my friend, Bob Matsui, for sponsoring this field hearing, particularly on the topic of the expansion of Amtrak service in northern California and, in particular, the development of the Sacramento to San Francisco rail corridor, which is of such great interest to my district and to me personally. Efforts like this offer one of the best hopes for dealing effectively with our Nation's projected energy shortage.

I have been working for and promoting expanded Amtrak service to this region for over 4 years, since my election to the assembly in 1975. My efforts, along with those of many other Amtrak enthusiasts, were instrumental in persuading Amtrak to create two new Zephyr stops in Davis and Fairfield.

Since my election to Congress a little over 1 year ago, I have been working closely with my northern California colleagues, Bob Matsui and Congressman Biz Johnson, who represents much of northern California, including Roseville, Marysville and Chico, cities through which we are trying to get the Coast Starlight from Seattle rerouted.

My commitment to Amtrak is based on the belief that if we are to truly conserve oil and gas, the traveler must be given viable alternatives to driving an automobile.

A San Francisco-Sacramento rail corridor offers one of the best hopes for a viable alternative transportation system for this region, one of the most heavily traveled in California, with over 13.5 million people traveling annually. Interstate 80, linking these two metropolitan areas, carries over 26,000 cars daily. Additionally, airline service between Sacramento and the San Francisco Bay Area transports over 164,000 persons annually. Finally, during fiscal year 1970, Amtrak between Sacramento and San Jose had over 11,500 customers, 7,000 of which were between San Francisco and Sacramento.

So, obviously, rail service is currently running a dismal third in transporting travelers between these two destinations. But none of these Amtrak users are 1-day commuters, since Amtrak runs only one train a day, leaving San Francisco and Sacramento approximately at the same time. If Amtrak had a conscious policy to discourage use of its facilities, I cannot think of any more effective disincentive than its current schedule.

A Sacramento-San Francisco rail corridor with modernized capital equipment has the potential of competing effectively with the automobile and the airplane in this corridor. An automobile trip between these two cities takes approximately 1½ hours from bridge to bridge—crossing the river and the bay bridge. An airplane trip takes approximately the same time, if not longer, considering that both airports are about a 15- to 20-minute trip from the urban hub of both cities, and we have the inevitable waits at the airports.

A train commuter service would deposit its travelers in the downtown areas of the served communities. In Sacramento, the train station is only four blocks to our north; it is an easy walk to most of the State and Federal offices locally; has excellent bus service connections. A new multimodal transportation center—which you probably heard about—is planned for the area as well. In San Francisco, Amtrak service could also feed into the buslines, as well as BART—when it is running.

Since rail service offers one of the most energy-efficient means of transportation, this Sacramento-San Francisco corridor offers one of the Nation's best hopes for effective, cost-efficient, energy-saving regional rail service.

Current Federal policy seems to be directed primarily at maintaining and nourishing those Amtrak lines which are the most widely utilized—the Northeast corridor between Washington and Boston is the best example of this policy—and reducing or eliminating train routes where ridership is not high enough to justify their continuation.

We need to reverse this policy and begin a major national commitment to upgrading, modernizing, and promoting regional rail travel, similar to that in Japan and the Western European nations. The establishment and promotion of the San Francisco-Sacramento corridor is an essential step to long-range growth in train transportation in northern California.

While I realize that the stated purpose of this hearing is to explore the prospects of intercity corridors in California, I would be remiss if I did not take this opportunity to also advocate a related Amtrak issue—the rerouting of the Coast Starlight, which we are hoping Amtrak will also add to its study list.

Currently, the Amtrak Coastal Starlight runs from San Francisco up the west side of the Sacramento Valley to the Pacific Northwest, bypassing the major cities of the Central Valley. By not being routed through Sacramento, perhaps Roseville, the Yuba City-Marysville area, and Chico, the Starlight neglects a service market of well over 1 million people. With a few capital improvements to existing tracks, all those population centers could be connected to the bay area, Los Angeles, and the Pacific Northwest, where a new corridor study between Portland and Seattle, as I understand, is also effectively being accomplished by Amtrak.

Rerouting the *Coastal Starlight* through Sacramento would be another way to bolster service on the Sacramento-San Francisco corridor. In fact, service to this corridor could be significantly improved without even running another train, were the *Starlight* brought into Sacramento.

Last spring, Amtrak performed a rather disappointing study on the issue of rerouting the *Starlight*, which concluded that rerouting would require from $2.5 to $3.5 million in construction. Add to that $500,000 in annual operations costs and increase traveltime from

60 to 75 minutes. However, studies by the city of Sacramento and the State department of transportation came up with very different and, I think, more realistic results.

Their studies concluded that only $1 million for construction is necessary, about $200,000 more in operation expense would result, and only 30 minutes more trip time would be added if the new route went straight from Sacramento to Marysville on Western Pacific tracks, rather than over the somewhat longer Southern Pacific route via Roseville. Further, Sacramento and Caltrans said that the installation of faster trains due for the Starlight would result in a net decrease in travel time for the Starlight, even if these three cities were added to the Starlight's route.

These two studies also stress in their analysis that Amtrak apparently neglected increased revenue projections from the million person service area, estimating new revenues of as much as $900,000 per year.

Rerouting of the Starlight is justified and essential to the long-range growth of west coast rail usage.

In conclusion, Mr. Chairman, I want to assure you that I will do all I can to assist you and members of your committee in the passage of legislation to upgrade, modernize and expand Amtrak, and in particular to implement the San Francisco-Sacramento corridor and hopefully reroute the Starlight.

Train travel is one of the most energy-efficient modes of transportation, and we as Members of Congress should do all we can to promote it and provide our constituents and future generations with efficient, energy-saving rail service.

I appreciate your attention and dedication to this issue. I hope that some time during your trip you and members of your staff will have an opportunity to visit Old Town and see the vintage trains on display there, and to sample the flavor of Sacramento as it was during the Gold Rush. It is only fitting that Congressman Matsui, who represents this center of railroad history, has joined your subcommittee. With his leadership and the support of those of us from the entire region, I believe Sacramento can once again be a center of rail travel in the West, just as it has become an interstate highway hub in recent years.

I appreciate, Bob, your bringing the committee here and taking a lead on this issue. Jim, I thank you for having given me the time to make my statement this morning.

Mr. Florio. Thank you very much.

Mr. Matsui. I have no questions to ask, Vic. I just want to say that Vic has been one of the persons in the forefront of the moving of the Coast Starlight into Sacramento, and we appreciate his help very much. Of course, we plan to work very closely with him on this particular matter.

Mr. Fazio. Thank you.

Mr. Florio. Thank you very much. We appreciate your testimony.

The subcommittee at this point will take a 5-minute recess.

[Brief recess.]

Mr. Florio. The subcommittee will come to order. Our next witness is William S. Weber from the office of special projects, Southern Pacific Transportation Co. Welcome to the subcommittee.

STATEMENT OF WILLIAM S. WEBER, EXECUTIVE ASSISTANT, OFFICE OF SPECIAL PROJECTS, SOUTHERN PACIFIC TRANSPORTATION CO., ACCOMPANIED BY JOHN MacDONALD SMITH, SOUTHERN PACIFIC

Mr. WEBER. Thank you, Mr. Chairman, Congressman Matsui. It is a pleasure to be here today to express our comments on the subject of the day.

With me today is Mr. John MacDonald Smith from Southern Pacific. Southern Pacific has had long experience in operating in this corridor between San Jose, the San Francisco Bay Area, and Sacramento for over a century now, in fact. Over the years, we have run a number of passenger trains—both through and local trains—in the corridor, some carrying lounge and dining cars. However, following World War II, with the great expansion in our freeway and expressway system in California, the passengers, in our view—and I believe in the utility commission's view—deserted the passenger train. While we had a number of trains just between, for example, San Francisco or Oakland from Sacramento, the trains could not be competitive because of the more circuitous route that the railroad takes than the new freeways.

At the present time a trip between downtown Sacramento and downtown San Francisco by bus or by private automobile is about 1 hour and 40 minutes. I came up from the Bay Area this morning, from a suburb of San Francisco to the East, and I came up here in 1 hour and 15 minutes, approximately 73 miles, and that is at about 55 miles an hour.

I have heard it mentioned, and I am trying to summarize my testimony because I have tried to highlight the points in that testimony as you have asked, in the interest of time. But I am also trying to highlight in view of some of the other comments that the committee has heard here this morning.

While at one time we did operate a number of local passenger trains in the corridor, that corridor has changed a good deal since those passenger trains were operated. As I mentioned, for about over 100 years and up through World War II, there was extensive passenger train service. Since the war, when the passengers were declining and moving over to the highway, another change has taken place in the composition of the corridor.

In 1940, California was a much smaller State in terms of industry and in terms of population. Today, where there was once farmland between almost the entire way between Oakland and San Jose, there are now along our railroad tracks dozens, and dozens, and dozens of factories, or manufacturing businesses of one kind or another. The same is true in the area toward Sacramento, although there are still some open spaces between the Carquinez Straits area, when you get closer into the Sacramento area; but that change in composition has meant that we are carrying much more freight service today than we were doing back in 1940, and we are having to move it a lot faster than we were moving in 1940 and a lot more reliably if we are going to keep the freight business on the railroad.

If we had added passenger trains placed into the schedule, it is our view that they will cause substantial delays to the freight service.

Now, let me briefly describe the corridor we are talking about insofar as the freight service and the passenger service that would be proposed to run between here and San Jose.

The distance between San Jose and Oakland is 44 miles, primarily a single-track line. There is some double track in the Oakland yard and going into the San Jose yard to the San Jose depot. The fastest train speed along this line is 60 miles per hour for 8 miles out of 44. We have lesser speeds, including one place where we have a stretch of 15-mile-per-hour running, and we also have a stretch where we are operating through the primary restaurant and tourist area of Oakland, Jack London Square.

There is, essentially, no passing track capability for freight trains to get out of the way of passenger trains between Oakland and San Jose. The line between Oakland and Sacramento is 87 miles. It is a double-track line, although it is signaled in only one direction. Trains cannot run in the opposite direction on the other track and have the benefit of signal protection.

There are some higher speeds on this track, a maximum speed of 70 miles per hour in four locations, totaling 57 miles. For this stretch there is only one passing track in each direction, in the 87 miles, where typical freight trains, the long freight trains we operate today, can take siding to allow passenger trains to pass. This means that if a passenger train is scheduled to run and a freight train is apt to overtake it, that the freight train will be held in San Jose, Oakland, Davis, or Sacramento—at some point—away from the main line so it will not delay the passenger train.

The delay of one freight leaving the yard, of course, can delay other freight trains trying to get into the yard.

Now, I am sure that some people might feel that there are more passing tracks, and they have probably seen more passing tracks, both between Sacramento and Oakland and between Oakland and San Jose. The tracks I am talking about are those that are long enough to take a 100-plus car train. The other sidings are relatively short sidings. They are used primarily for local freight trains in handling their cars that they are going to switch with industries, or for leaving cars at one location for a subsequent train, maybe 2 or 3 hours later. A local train may gather cars up over several miles of a line, bring them to one siding as a concentration point where they will be left for a through train to pick them up several hours later.

Also, on this main line because of the increased industry with almost no track construction since the late 1940's, much of the freight train switching has to be done on the main line. A freight train will come up on the main line, stop, cut off the engine and cut off whatever cars are going to be delivered to one or more industries; deliver the cars on the industries spur track; pick up any cars that are ready for shipment, and bring them back and couple them to the train that is located now on the main line.

In the area between San Jose and Oakland, this is especially difficult, and it is only a minor degree less and perhaps a little more seasonal on parts of the line between Oakland and Sacramento.

I would like to make one final comment in description of the line and the former passenger services, and that is that the Southern

Pacific does not operate its railroad into San Francisco from this direction. San Francisco, as you may know, is a peninsula, completely surrounded by water on three sides, and the closest our trains going between east of Sacramento and through this corridor operate is into Oakland, where passengers must then make a transfer to a bus to reach San Francisco.

There is an alternative transfer which was mentioned earlier, at the BART-Amtrak joint facility at Richmond, where passengers may connect to BART. However, if a passenger from Sacramento is destined to San Francisco and elects to transfer at Richmond, he then has to make a second transfer within the BART system in Oakland. BART does not presently have a regular through train service between Richmond and San Francisco; they do have a couple of trains morning and evening during the peak rush hour.

Transferring in Oakland, or Richmond, of course, is going to add to the time, the trip length, of the journey. Where, as I mentioned earlier, a bus or an automobile can drive the distance in about 1 hour and 40 minutes at 55 miles an hour, we take almost 2 hours for the passenger train to run from Oakland to Sacramento.

I would like to comment now on the energy issue, the energy efficiency of passenger trains. In view of the immediate concern about energy, many proposals—and rightly so—are looking again at the passenger trains or other energy-saving types of transportation. But especially passenger trains, it is believed, are the most energy-efficient form of transportation for intercity travel. I am sure many advocates within this corridor base their advocacy on the belief that the passenger train is especially energy efficient.

Actually, passenger trains are not all that fuel efficient. In fact, rather than being the most fuel-efficient mode, the passenger train is consistently surpassed in energy efficiency by the bus, and surpassed by a rather wide, up to 3-to-1 margin. It is very true that railroads are extremely fuel-efficient forms of transportation for freight, especially large volumes of freight moving long distances. Freight trains are up to four times as energy efficient as their highway competitor, the truck. The fundamental reason for the train's energy inefficiency in carrying passengers, and its greater energy efficiency in carrying freight is due to the differing net-to-tare ratios for passengers and freight. The contents of a loaded freight car can exceed the weight of the car itself by a ratio of 2 or 3 to 1 or more. On the other hand, the weight of passenger equipment greatly exceeds the weight of the passengers being carried. As an example, a three-car Amfleet equipped train with a locomotive weighs 238 tons. If every seat is filled on that train—assuming 220 seats on a configuration of two Amfleet coaches and a dinette—the passengers would weigh approximately 16.5 tons. This is a net-to-tare ratio of only 0.0693; 100-percent occupancy of an 8-car train weighing 554 tons with 600 passengers, the passengers' total weight being about 45 tons, or a net-to-tare ratio of 0.0812. This means that a lot of steel has to be hauled per each passenger, and that is where a lot of the energy use comes into play.

A modern bus, on the other hand, weighing 13.5 tons with a capacity load of 43 passengers, or a little over 3 tons, has a net-to-tare ratio of 0.2398.

Not only has the bus been found to be more fuel efficient than the passenger train, the newer, smaller, more efficient automobiles that obtain 25, 30, or more miles per gallon on the highway and carry four passengers, can be more fuel efficient than the average passenger train.

Mr. **Florio**. Mr. Weber, let me get some clarification on this point. The generalization you have made, is it not contingent upon the distance that we are talking about and on the load capacity of the respective modes? I am aware of the fact that under certain circumstances what you are saying is the case, but the generalization that passenger traffic has a greater fuel efficiency benefit when it is done by bus as opposed to rail is not valid in all circumstances.

Mr. **Weber**. It would not be valid if you have very high volumes of passengers. I do have an example of that later on, to indicate when the passenger train would be fuel efficient. If that does not cover it, then maybe you can ask me further, please.

There have been numerous studies on the energy efficiency of various forms of transportation. U.S. Government agencies which have studied the issue include the Departments of Transportation and Energy, the General Accounting Office, the Transportation Research Board of the National Academy of Sciences, and the Congressional Budget Office which has twice studied the issue, most recently last year, and came to essentially the same conclusions as the other studies, that the bus is the most energy-efficient form of intercity travel.

Outside of the Northeast corridor, passenger rail service was described as an energy loser both now and in the future. In an area such as the Northeast corridor, there are other reasons that favor trains, such as high population density and extensive electrification already in place.

Even Amtrak, of course, does not claim the passenger train is more energy efficient than the bus, although it does feel that the passenger train is more energy efficient than the private auto—although, as I mentioned, I believe this may not always be the case.

Amtrak states—and I would not disagree—that the rail passenger train's fuel efficiency superiority can only be based on "the design energy efficiency which lies within the capability of the Amtrak system," rather than comparing the passenger train with current or historical comparisons of bus energy efficiency versus passenger train energy efficiency.

To obtain this level of efficiency would mean a passenger train with a specific model of General Motors' locomotive hauling eight high-seat density Amfleet cars carrying 600 passengers at 50 miles per hour, or two of those locomotives hauling 18 high-seat density Amfleet cars carrying 1,400 passengers. Each car would be carrying almost 80 passengers, a large number, but which could be considered reasonable for a short haul. However, almost every seat on the train must be occupied at this volume level for the train to obtain this energy superiority.

The proper criteria, in my view, would be for the selecting of energy-efficient transportation carrier whose mode's average fuel efficiency for typical travel volumes on a day in, day out basis where the energy is being used, be in other forms of transportation rather than the passenger train. It is unreasonable to assume that any corridor service which regularly carries 600 or 1,400 passengers per train, at near 100-percent capacity, origin to destination, and with the equipment configuration described by Amtrak, and especially outside of the Northeast corridor. Typical occupancy ratios, when you average in the various days of the week, the seasons—high volume of travel in the summer and low in the winter when there is less travel or whatever—buses, train, plane services normally show somewhere between 50, 60, perhaps 70 percent occupancy, but never 100-hundred percent occupancy every day on all trips intercity. The bus, as I mentioned, was found to be three times as energy efficient as the passenger train.

Now, 600 passengers on a train may not appear to be especially high when you are thinking in terms of the volume of people that live in this corridor. However, the average passengers now carried on Amtrak trains in California, the number is much lower.

The San Diego-Los Angeles corridor with the second-highest rail passenger volume outside of the Northeast corridor, for the fiscal year ending September 30, 1979, had an increase in patronage of 39 percent over 1978, from 794,000 passengers to 1,109,000 passengers carried in a year. This breaks down to an average number per train increased from 181 in 1978 to 253 in 1979—a respectable increase, but still less than the 600.

I could briefly indicate what the patronage is on some of the other trains. One Amtrak train which operates close to the corridor is an Oakland-Bakersville train, which had an increase of 25.7 percent in its patronage, 1979 over 1978, from an average of 111 total passengers carried in 1978 to 137 total passengers carried in 1979. When I am speaking of total passengers carried, that does not mean the number of passengers that are on the train at any one time because there is off and on traffic. People get on, go from Oakland out to Stockton and get off; other people get on at Stockton and ride down to Modesto, or Fresno, or some place like that.

Another major factor, of course, with passenger trains is that we believe they are very expensive to operate. We used to operate a lot of them, and they were very expensive. They require now millions of dollars in public tax subsidy to serve the same corridor served by intercity buses without subsidies.

I know Southern Pacific is sometimes viewed as being opposed to passenger train operations on our lines just for the sake of being opposed, or that we favor freight over passengers. First, we have always had a policy and have it today, that a passenger train always takes preference over a freight train. That is why we would be concerned over the delays in the freight train traffic in this corridor from any increased trains.

Actually, however, our views about the economics of a passenger train and freight train are based on our own extensive experience that there are not only large direct costs for operations of a passenger train in itself, but in addition it impacts directly on the service and cost of the freight operation so vital to the Southern Pacific Railroad's survival.

Southern Pacific Railroad's rate of return on investment in the past 5 years has never exceeded 2.86 percent, and twice has been less than 2 percent, hardly the rate of return of a regulated public utility. Our freight service is vital to the railroad's survival and vital to California, especially in these energy-critical times, given the railroad's fuel efficiency superiority for freight.

In our view it is clear that if an overriding concern is energy efficiency and conservation, or the use of public tax dollars, the bus clearly is the superior alternative. For the approximate cost of operating one train, which will have five crewmen at a minimum, five buses could be operated at varying times of the day to offer more frequency of service. Buses can operate to the downtown and other points people want to go. For example, we cannot get a passenger by train to downtown San Francisco from Sacramento directly.

Buses could also be operated nonstop between the corridor to a number of points. For example, Roseville and Hayward, Davis and Walnut Creek, et cetera. As the bus is already providing the service in the corridor without subsidy, consideration should be given to the great improvement in bus services, bus equipment and terminals, which could be realized for a fraction of the subsidy required for even a limited rail passenger service.

As I indicated, we are very concerned about the delay to the freight trains. The corridor has changed substantially from the days we ran lots of passenger trains. Perhaps another figure where we are concerned about the volumes and the delays is the time of the service. We have to be reliable, and we have to be a lot faster than we were in 1940.

In 1940, the fastest freight train service between Northern California and Chicago was 8 days. Today, it is 3 days. That means when we are trying to get these trains over the road we have to do it with a minimum of delay.

Mr. Chairman, you also asked some other specific questions beyond what I think I have already covered in my testimony here. If you would like, if I can have another 2 or 3 minutes, I will try to answer those other questions for you.

You had asked that we direct our testimony to what we would consider to be the appropriate constructional role for Southern Pacific in the Sacramento-Oakland-San Jose corridor project, and our estimate of the cost of upgrading the route to accommodate additional levels of passenger train service to a maximum 79 miles per hour, a total trip time of 2 hours, 45 minutes, and certain other specified assumptions.

First, Southern Pacific would have to require retaining control over the construction of any additional track that would in any manner impact upon some of our most important rail freight lines. We could not afford a degradation of service to the freight, and, of course, we might even have a liability problem somewhere along the line.

It is impossible to respond to the request for an estimate of the cost of upgrading this route pursuant to the criteria assumptions specified by the subcommittee in the short time since we received your January 7 letter, and the delivery of our testimony in Washington by the evening of January 11. Such an estimate would require engineering studies.

Some of the problems which must be considered as to the maximum speed allowed on the line between Oakland and Sacramento is 70 miles per hour. That speed can only be attained in four places. For over 12 miles, the line follows the natural curvature of the San Francisco Bay, along the Carquinez Strait, where the maximum speed is 40 miles an hour. Also, of course, super-elevations on the curves are designed and maintained for lower freight train speeds. We feel that there would have to be extensive track realinement, extensive track construction, added signaling and the like, to have a 2-hour, 45-minute service. It could not be done today on a regular basis.

The committee asked us to comment on the current working relationship between Southern Pacific and Amtrak on the Sacramento-Oakland route. We feel there is little we can say about the relationship except it can best be described as a business relationship with Southern Pacific a contractor for Amtrak.

The subcommittee has asked that we comment on the recent agreement with Caltrans for the commuter services between San Francisco and San Jose, which runs along the west side of the peninsula, west side of San Francisco Bay. We have reached an agreement with Caltrans whereby they will contract with Southern Pacific to operate this existing commute service. Our losses on the commute service were exceeding $10 million a year. At the present time, negotiations are continuing between Caltrans and Southern Pacific on specific details and terms of the agreement, and we anticipate having a financial contract shortly.

I believe, Mr. Chairman, that answers all the questions asked, and I will be happy to answer further questions.

[Testimony resumes on p. 216.]

[Mr. Weber's prepared statement follows:]

STATEMENT
of
WILLIAM S. WEBER
Executive Assistant, Southern Pacific Transportation Company
before the
House Subcommittee on Transportation and Commerce
Sacramento, California, January 15, 1980

Mr. Chairman and Members of the Subcommittee:

Southern Pacific appreciates the opportunity to meet with the subcommittee in this hearing to gather information on the potential for rail passenger corridor services in various locations around the country and to express Southern Pacific's views on the issue of rail passenger corridor services, and specifically, the establishment of a corridor service between Sacramento-San Francisco and San Jose. Also, the subcommittee has asked that we direct our testimony to several specific questions and, in the course of the testimony, I will respond to these questions.

Before proceeding, I would like to clarify the corridor points I will be discussing. The subcommittee's letter refers to the Sacramento-San Francisco-San Jose corridor. From an overall transportation perspective, including highway and air service, this is a proper description of the corridor. However, given the geography of San Francisco, surrounded by water on the west, north and east, the only direct rail access into San Francisco is from San Jose and the south along the peninsula, on the west side of San Francisco Bay. Our rail line from Sacramento to the San Francisco Bay area runs to Oakland, on the east side of San Francisco Bay, and thence to San Jose along the east side of the Bay. Rail passengers traveling from Sacramento to San Francisco must transfer at Oakland to buses to complete their journey to San Francisco, Therefore, I will be referring to Oakland rather than San Francisco in discussing the corridor unless specifically referring to San Francisco.

Southern Pacific has had extensive experience in the operation of passenger trains in the Sacramento-Oakland-San Jose corridor since the latter part of the 19th century. Up through World War II, we operated a number of local and through passenger trains in this corridor, several carrying lounge and dining cars. However, rail ridership dropped off dramatically, as it did everywhere, with completion of excellent freeways in the years following the war and the public's understandable preference for their own demand responsive personal transportation vehicle - the automobile - in which all the family and their belongings could travel at the same cost without waiting and without transfer from one vehicle to another during the course of their journey. Also, our experience was that rail service could not be made an effective competitor of buses and the personal car because the rail corridor does not serve the city center or central business districts involved. The rail line does not reach San Francisco but rather the industrial district of Oakland, one to two miles via infrequent Oakland buses from Oakland's business district. The same was true at Berkeley, Richmond and Suisun - Fairfield, with the result that we had a rail route which didn't enjoy any substantial volume of patronage.

As ridership disappeared, we sought state regulatory approval to discontinue the trains. This approval, though, was difficult to obtain. In one dramatic instance, the Californi Public Utilities Commission, arguing that we were opposed to passenger trains as a general principle, required us to purchase a, then, new type of self-propelled, streamlined rail passenger car known as a Budd car, which, in the regulatory agency's view, would make the service more attractive and result in increased passenger ridership. The operation of this new service did nothing to improve ridership and eventually the train was discontinued, not, however, before a lot of money was lost in the purchase of the Budd car and in maintaining a costly, losing service.

When the last of the local trains was discontinued at the end of May, 1962, they were handling an average of 29 passengers a day westbound and 23 passengers eastbound or less than a bus load in each direction. Prior to the regulatory proceeding in which we received approval to discontinue the last of the local trains,we had made a similar request two years previously when our application was denied, again, because the Commission thought that a more conscientious effort could stimulate interest in this local train service. However, in its decision allowing us to remove the last trains, the Commission noted that we had spent a substantial amount in advertising the service but the effect on patronage had been negligible and that the public, for all practical purposes, had abandoned the service.

I believe the following statement of the State Commission will be of interest to the subcommittee:

> "Unfortunately, in this modern age of speed, with its emphasis on saving time, it appears because of the slow schedule and the naturally imposed inconvenience caused by the combined bus and rail service for passengers having San Francisco as their point of origin or destination, the traveling public has, in effect, abandoned its use of the Senator trains."

The slow schedule the Commission cited was one hour and fifty minutes between Oakland and Sacramento, while, of course, in those pre 55 mph days, the journey from San Francisco to Sacramento could be made in 1½ hours or less on the highway. The train, by the way, used streamlined equipment and the Commission's own witness had testified that the equipment was clean and comfortable.

Our experience is that if you have a railroad that doesn't go where people want to go, as fast as they want to go, no amount of cosmetic improvements, advertising and exhortation is going to overcome the inconvenience of the waiting and transfers that are required to finish the journey. If the Northeast Corridor "Metroliners" terminated at Hoboken instead of going into New York City, patronage would be far different from that which we have observed.

All of these drawbacks are still inherent in the present rail locations. The tracks do not serve San Francisco, Even though it is now possible to transfer to a BART train at the Richmond-Amtrak station, if a passenger's destination is San Francisco, there is essentially no direct service; a second transfer within the BART system in Oakland is required as BART does not provide direct service between Richmond and San Francisco except on a very limited basis during weekday rush hours.

The excellent 6 and 8 lane freeways between Sacramento, San Francisco and San Jose, and the dozens, if not hundreds, of other destinations in the corridor,are much more direct than our circuitous rail line in the corridor. The travel time by auto or bus today between Sacramento and downtown San Francisco is only an hour and 40 minutes at 55 mph. The fastest current schedule by train is nearly 2 hours just between Oakland and Sacramento.

Since the period up through World War II, when we operated numerous passenger trains, the character of the entire corridor has changed dramatically. In the 1940s California was a smaller state in terms of population and industry. As the population has grown tremendously and as industry has grown in the corridor, much more rail freight traffic has been generated. For example, the area between Oakland and San Jose was almost entirely farmland before the war. Today there are dozens of industries located along the line. Even the character of the railroad has changed since the 1940s with more, longer and heavier freight trains, and increasing numbers of faster freight trains.

If additional passenger trains were to now be operating in the corridor, even the best scheduling would still result in delays to freight service. While freight trains are waiting for passenger trains to pass, fuel would be wasted as the locomotives' diesel engines are idling (and diesel locomotives cannot be turned off and on like an automobile). Also, there is a dollar cost when freight trains are standing and waiting for passenger trains. For example, we estimate that the delay to a typical 100 car freight train costs approximately $6.00 per minute. If each day only one train had to wait 30 minutes for a passenger train to use the track, the annual cost would be about $65,000. In a corridor such as San Jose-Oakland-Sacramento, there would be a large number of such delays every day, with the potential cumulative cost quite high. The more passenger trains operated, the greater the usurption of capacity for freight operations and the greater the delay to freight.

To the casual observer, I am sure it appears there are long periods when the tracks are not being used by freight trains, allowing ample time for a passenger train to run over the line. Aside from our fundamental need to have the flexibility to use the tracks to meet the needs of our freight customers, the capacity of a rail line and its capability for handling trains is based on a number of factors including the number, size and types of trains. Southern Pacific has always given first preference to passenger trains. Generally, passenger trains travel between two points such as Oakland and Sacramento in a faster overall time than freight trains. If a passenger train is scheduled to run, freight trains may not be allowed to operate out of Oakland ahead of a passenger train for 2 hours or more if it was likely that the passenger train would overtake the freight train down the line and the freight train could not get into a passing track to avoid delaying the passenger train. Another example of tracks along a line being used but portions of the line appearing vacant is when a local freight train is spending a lot of time using one portion of a mainline while serving industries. Also, during the day, a section of track may be unavailable to trains while maintenance forces are working on the tracks and no trains can operate over a large portion of a line beyond where the actual track work is taking place.

I would now like to describe our own specific line between Sacramento, Oakland and San Jose.

The line between San Jose and Oakland, 44 miles, is single track except for slightly over two miles of double track between San Jose and Santa Clara and 9 miles of double track between Elmhurst and Oakland, part of which is in a city street. The fastest passenger train speed allowed is 60 mph for 8 miles, 50 mph for 13 miles and the remainder at much lower speeds, including 15 mph through parts of Oakland. There is essentially no passing track capability for freight trains to get out of the way of passenger trains along the entire route. The line between Sacramento and Oakland, 87 miles, has double track, although each track is only signalled in one direction. The maximum speed for passenger trains is 70 mph in four locations totaling 57 miles. Between Oakland and Sacramento there is only one passing track in each direction where long freight trains can take siding to allow passenger trains to pass. This means that freight trains would have to be held back at points such as San Jose, Oakland, Davis or Sacramento if they would otherwise be on the mainline when a passenger train would be scheduled to operate.

Although there are dozens of industries between Oakland and San

Jose where once there was only farmland, there has been little new track construction even though there is now a lot more freight traffic. While there are several passing tracks on the line between Oakland and San Jose, they are short and are regularly used by local trains while switching at these industries along the line or one train will leave cars in these passing tracks for another train to pick up several hours later.

Similar use is made of almost all the passing tracks on the line between Oakland and Sacramento. However, there is one fairly long siding at Davis, 13 miles from Sacramento, which can be used by westbound freight trains departing Sacramento. From Davis it is 74 miles to the West Oakland Yard, the next location where a westbound freight train could get out of the way of a passenger train. Similarly, the only siding for eastbound freight trains to use between Oakland and Sacramento is a siding at Bahia, 36 miles from Oakland and 51 miles from Sacramento, although even this siding is sometimes used by local freight trains leaving cars for through freight trains or vice versa.

Through freight trains from Oakland to Sacramento that would not set out or pick up cars enroute require about one hour more for the run than a passenger train. If a freight train will be stopping between Oakland and Sacramento to pick up or set out cars enroute, the running time, of course, will be much greater. As I stated, we will not allow a freight train to leave Oakland if the faster passenger train is apt to overtake the freight train, but this means freight trains are delayed in leaving the yards which, in turn, can delay other trains in being switched or taken into the yard - the delay being cumulative.

Also, a number of industries along the entire route from San Jose to Sacramento can only be serviced off of the mainline. By this I mean that a freight train must stay on the mainline while the locomotive is delivering, picking up or switching cars at industries along the line. To do this the mainline may be blocked for 30 minutes to an hour or more for these switching movements. Again, in order to avoid delay to a passenger train, a freight train would not be allowed to enter a segment of track where it is likely to cause delay to following passenger trains behind it. But again, the freight train would have to wait whatever amount of time necessary for the passenger train to operate over the track before the freight train pulled into the same section of track and blocked it for its switching moves. These freight services are essential to the industries who rely on us.

When we are maintaining or repairing tracks, it is often necessary to take the tracks out of service for train operation for several hours at a time. On a single track, no trains can be operated for the duration of the period when the track is out of service. Most of the track maintenance and repair work is done with expensive mechanical equipment placed on the tracks being repaired. In order to maximize the use of the expensive mechanical track working equipment, often a track will be out of service several hours to allow our maintenance people the maximum time to work. Although the track repair machinery is fast, neither the men nor machines are productive if the work is continuously interrupted to allow passing trains to operate over the line as an excessive amount of time would be spent in getting this heavy machinery and equipment off of the track and then placed back on the track after the train passes. In double track territory, one track can sometimes be left in operation when the other track is taken out of service for maintenance. However, traffic moving over the remaining track is slow and awkward at best, especially if the train is operating in a direction opposing the direction the line is signalled.

I would like to now address several issues the subcommittee requested comment on which have not yet been addressed.

The subcommittee asked that we direct testimony to what we would consider to be the appropriate construction role for Southern Pacific in a Sacramento-Oakland-San Jose corridor upgrading project and our estimate of the cost of upgrading the route to accommodate additional levels of passenger train service to a maximum 79 mph, a total trip time of 2 hours, 45 minutes and certain other specified assumptions.

Southern Pacific would require retaining control over the construction of any additional tracks that would in any manner impact upon some of our most important rail freight lines.

It is impossible to respond to the request for an estimate of the cost to upgrade the Sacramento-Oakland-San Jose route, pursuant to the criteria and assumptions specified by the subcommittee, in the short time between our receipt of the subcommittee's January 7 letter and delivery of this testimony to the subcommittee's offices by January 11. Such an estimate would require an engineering study. Some of the problems which must be considered are that the maximum speed allowed on the line between Oakland and Sacramento is 70 mph and that speed can be attained only in four places. For over 12 miles the line follows the natural curvature of an arm of San Francisco Bay - the Carquinez Strait - where the maximum speed is 40 mph (there is also a drawbridge over this strait where trains are frequently delayed by ocean going vessels). Also, the super elevation on all curves is designed and maintained for lower freight train speeds. The subcommittee has specified that improvements are not to include high cost improvements, such as track realignments, yet extensive additional track construction and realignment would be necessary to obtain a 2 hour, 45 minute schedule as well as to avoid unreasonable delay to freight service, if not to completely preclude freight service or reduce capacity for freight service in the corridor.

To obtain the 2 hour, 45 minute schedule and the much faster track which would be needed would require extensive line relocation, double tracking, centralized traffic control and grade separations, requiring hundreds of millions of dollars, if the work could be carried out at all in view of the environmental approvals which would have to be obtained.

The subcommittee asked that we comment on the current working relationship between Southern Pacific and Amtrak on the Sacramento-Oakland route. We feel there is little we could say about the relationship except it can best be described as a business relationship with Southern Pacific a contractor for Amtrak.

The subcommittee has asked that we comment on the recent agreement with Caltrans for the commute service between San Francisco and San Jose along the peninsula on the west side of San Francisco Bay. We have recently entered into an agreement in principle with Caltrans whereby they will contract with Southern Pacific to operate this existing commute service. Our losses on this commute service were exceeding $10 million a year. At the present time negotiations are continuing between Caltrans and Southern Pacific on specific details and terms of the agreement and we anticipate having a final contract shortly.

Presently, there are 44 commute trains operated on weekdays (fewer on weekends) on this route. These commute trains operate primarily in morning and evening peak windows. The route has double track and serves some industry between San Jose and San Francisco, but the extensive post war growth along the line has been primarily residential and high technology manufacturing, and we do not have the similar very high levels of freight service that we have in the Sacramento-Oakland-San Jose corridor.

Before closing, I would like to comment on the issue of energy efficiency and the passenger train. In view of the immediate concern about energy, there are many proposals for intercity rail passenger services on the premise that passenger trains are an efficient form, if not the most energy efficient form of transportation, for intercity travel. Many advocates of added passenger train service in the Sacramento-Oakland-San Jose corridor base their advocacy, I am sure, on the belief that the passenger train is especially energy efficient.

Actually, passenger trains are just not all that fuel efficient. In fact, rather than being the most fuel efficient mode, the passenger train is consistently surpassed in energy efficiency by the bus, and surpassed by a rather wide, up to 3 to 1 margin. It is true that railroads are an extremely fuel efficient form of transportation for moving large volumes of freight. Freight trains are up to 4 times as energy efficient as their highway competitor, the trucks.

The fundamental reasons for the train's energy inefficiency in carrying passengers and its greater energy efficiency in carrying freight is due to the differing net to tare ratios for passengers and freight. The contents of a loaded freight car can exceed the weight of the car itself by a ratio of 2 or 3 to 1 or more. On the other hand, the weight of passenger equipment greatly exceeds the weight of the passengers being carried. A 3 car Amfleet equipped train with locomotive weighs 238 tons. Even if every seat is occupied with 220 passengers weighing a total of about 16.5 tons, there is a net to tare ratio of only .0693; 100% occupancy of an 8 car train weighing 554 tons is 600 passengers weighing about 45 tons or a net to tare ratio of .0812. This means that a lot of steel has to be hauled per each passenger. A modern bus weighing 13.45 tons with a capacity load of 43 passengers or 3.225 tons has a net to tare ratio of .2398.

Not only has the bus been found to be much more fuel efficient than the passenger train, the newer, smaller, more efficient automobiles that obtain 25, 30 or more miles per gallon on the highway and carry 4 passengers can be more fuel efficient than the average passenger train.

There have been numerous studies on the energy efficiency of various forms of transportation. U.S. government agencies which have studied the issue include the U.S. Department of Transportation, U.S. Department of Energy, the General Accounting Office and the Transportation Research Board of the National Academy of Sciences. The Congressional Budget Office has twice studied the issue, most recently in 1979, and each time has come to the same conclusions as the other studies: that the bus is the most efficient form of intercity travel. The 1979 Study by the Congressional Budget Office found bus to be superior to rail, with the exception that the train may be helpful in conserving energy within the Northeast Corridor (There are other reasons unique to the Northeast Corridor that favor trains there, such as very high population densities and extensive electrification already in place). Outside of the Northeast Corridor passenger rail service was described as an energy loser both now and in the future.

Even Amtrak does not claim the passenger train is more energy efficient than the bus, although it does feel that the passenger train is more energy efficient than the private auto (although, as previously stated, this may not always be the case). Amtrak states that the rail passenger train's fuel efficiency superiority can only be based on "the design energy efficiency which lies within the capability of the Amtrak system", rather than on current or historical comparisons of bus energy efficiency v. passenger train energy efficiency. Passenger trains with a specific model of General Motors locomotive hauling 8 high seat density Amfleet cars carrying 600 passengers at 50 mph or 2 of these General Motors locomotives hauling 18 high seat density Amfleet cars carrying 1400 passengers achieve this fuel efficiency superiority. At this seating density, each car is carrying almost 80 passengers, which is a large number for a non-commute trip, but still could be considered reasonable for a short haul. However, even using this criteria, almost every seat on the train must be occupied for the train to obtain this energy superiority. The proper criteria for selecting energy efficient transportation carriers must be a mode's average fuel efficiency for typical travel volumes on a day in, day out basis, not an energy efficiency that can only be reached hypothetically. It is unreasonable to assume that any corridor service would regularly carry 600 or 1400 passengers per train, at near 100% capacity, origin to destination, and with the equipment configuration described by Amtrak.

When considering regular day in, day out operation, 365 days a year, with typical average occupancy ratios that would normally exist for bus, train or plane services of 50%, 60%, or perhaps 70%, but far less than 100% occupancy, the bus is found to be up to 3 times as energy efficient as the passenger train.

Although 600 passengers on a train may not appear to be especially high to some observers, average passengers carried on Amtrak trains in California is much lower.

The San Diego-Los Angeles Corridor reportedly has the second highest rail passenger volume of any corridor. For the fiscal year ending September 30, 1979, patronage increased 39% over 1978 from 793,900 passengers to 1,108,500 passengers. The average number of passengers carried per train increased from 181 in 1978 to 253 in 1979 - a respectable increase, but still far less than the 600 passengers needed for passenger train energy superiority.

Patronage on Amtrak's Oakland-Bakersfield train increased 25.7% in fiscal 1979 over 1978, from an average of 111 total passengers carried to 137 total passengers carried per train. In November 1979, which included the heavy travel normally experienced with the Thanksgiving holiday, our records indicate that, on average, this train arrived and departed Oakland with 32 passengers, not even a bus full.

Also, during the month of November, the San Francisco Zephyr, which operates between Oakland, Sacramento, Reno and Chicago, carried an average of 92 passengers per trip between Reno and Oakland and approximately 20% fewer passengers east of Reno on our lines.Also in November, the Coast Starlight, which operates between Los Angeles, Oakland, Portland and Seattle, averaged approximately 200 passengers per train between Oakland and Portland and 280 passengers per train between Oakland and Los Angeles.

Another major factor when considering passenger trains is cost. Passenger trains are very expensive to operate and, necessarily, require millions of dollars of public tax subsidy to serve the same corridors served by intercity buses without subsidy (although some might view the bus as paying less than its fair share in fuel taxes for the use of public highways, direct public subsidy of bus operating costs is almost non-existent while all passenger rail services require a subsidy).

Southern Pacific is sometimes viewed as being opposed to passenger train operations on our lines just for the sake of being opposed. Actually, our views about the passenger train are based on our own extensive experience with passenger train operations and our knowledge of the large expenditures passenger trains require and the deep losses incurred. As I have tried to outline in this testimony, not only are there large direct costs for operation of the passenger trains themselves, but they impact directly on the service and cost of the freight operation which is vital to the railroad's survival. Southern Pacific railroad's rate of return on investment in the past 5 years has never exceeded 2.86% and twice has been less than 2%. Our freight service is vital to the railroad's survival and we believe vital to California, especially so now in these energy critical times, given the railroad's fuel efficiency superiority for freight.

It is clear that if our overriding concern is energy efficiency and conservation, then, for passenger transport, the bus is clearly the superior vehicle.

If we are also concerned about the use of public tax dollars, then the bus is again clearly the superior alternative.

Also, if service to the public is important, then the bus is superior. For the approximate cost of operating one train, 5 buses could be operated at varying times of the day to offer more frequency of service. Buses can operate to the downtown or other points people want to go.

Buses could also be operated between a number of points within the corridor, for example, Roseville and Hayward, Davis and Walnut Creek, or Sacramento and San Mateo, rather than being restricted to the relatively narrow confines of the rail corridor.

If the bus is already providing the service in the corridor without subsidy, consideration should be given to the great improvements in bus services, bus equipment and terminals, which could be realized by a fraction of the subsidy required for even a limited rail passenger service.

As a railroad concerned about handling not only its existing freight service but also greatly expanded freight traffic that should now be diverted to rail as the energy efficient mode, we are concerned about handling that freight in an expeditious manner and without additional costs and delays which would be caused by passenger trains.

As I have shown in this testimony, the imposition of passenger trains would not be beneficial from an energy standpoint or from the standpoint of the taxpayer required to subsidize passenger train services. There is a better way; a much more energy efficient and cost effective means of providing transportation services than by the fuel inefficient and very costly passenger train.

Thank you.

Mr. **Florio**. Thank you very much. Mr. Matsui?

Mr. **Matsui**. Thank you, Mr. Chairman.

Mr. Weber, I want to understand one of your comments here regarding the convenience factor. You indicated that there was no BART stop in Richmond, and you indicated therefore there would be inconvenience for passengers that leave Sacramento and go to the bay area or San Francisco; is that correct?

Mr. **Weber**. Yes; what I meant, Mr. Matsui, is that the present line from Sacramento to the bay area, runs west to Davis, then runs in a generally southwesterly direction through Suisun-Fairfield, across the Carquinez Straits to Martinez, then along the bay into Richmond, and finally into Oakland.

The line does not go to San Francisco. The passengers have always had to make some type of transfer from the train to another vehicle to reach San Francisco. In years gone by, it was ferry boats, currently it is a bus. They can now have another option which is the Amtrak-BART station in Richmond, where they may transfer to or from a BART train. If they are going some place in Oakland, it would probably be more convenient to do that than going into the Oakland railroad station, which is in an industrial part of town about 2 miles or so from the downtown area.

However, if they are going into San Francisco, BART does not operate between Richmond and San Francisco with through-train service. They do operate. They operate out of Richmond to Fremont. During the peak hours they are running a couple of trains in the morning to San Francisco and a couple of trains in the evening from San Francisco back to Richmond on the peak-hour weekday commute only. So, otherwise there would be a second transfer, if people chose to use BART to get into San Francisco.

Mr. **Matsui**. So, you say it would be Richmond to Fremont.

Mr. **Weber**. No, excuse me. I am saying the BART train services that go into Richmond operate from Richmond on the north through downtown Oakland and into southern Alameda County, Fremont on the southeast, that is the train and of course the track they run on. The trains that go to San Francisco come from San Francisco under the bay and either also go toward the edge of downtown Oakland and go out to Fremont, or go to Concorde.

A passenger choosing to use BART comes from Sacramento on the intercity train and gets off at Richmond. He takes that BART train from Richmond into downtown Oakland and gets off at downtown Oakland, and then waits for the train to come along to go into downtown San Francisco. That is the present operation.

Mr. **Matsui**. Obviously, you raised that issue because you want to indicate that it would be more efficient to use the automobile under these circumstances today, and more convenient for the passenger, I would suspect. Is that why you raised that particular issue?

Mr. **Weber**. Yes, either automobile or the bus. It is, again, another advantage that the bus would appear to have for this type of a trip.

Mr. **Matsui**. With regard to the automobile, one problem that I think most passengers going from Sacramento, to San Francisco have, of course, is the traffic congestion that they experience over the bay bridge. Second, once they get into the downtown business district in San Francisco, you have obviously tremendous traffic problems and you have parking problems. Have you addressed that in your analysis?

Mr. WEBER. Yes, from a bus standpoint. When I was here in Sacramento I used it quite frequently. If you are using the bus into downtown San Francisco, it is in the downtown part of the city, it is not removed some place; it is within walking distance from downtown.

Mr. MATSUI. Let us eliminate the bus for a minute because we are talking about rail transportation or the automobile at this particular time. I realize that you find the bus to be superior to both of them. I am assuming that is correct.

Mr. WEBER. The bus would generally be superior, although the automobile is not that bad, given the new smaller models with the high mileage per gallon.

Mr. MATSUI. But what about the problems that I addressed, the bay area traffic?

Mr. WEBER. Then I think that somebody from a convenience standpoint, yes, I have looked at that, both from Southern Pacific and some of my former positions as well. What a number of people are doing to give them greater flexibility is to drive now to a BART station, for example in Concorde or Pleasant Hill, and then take BART into San Francisco from there, which is another alternative.

Mr. MATSUI. Then, I guess, we are actually talking about not much difference in terms of the convenience or inconvenience between driving and using that train service, I guess because you are still talking about a second stop; is that correct?

Mr. WEBER. In that case, that would be true, yes. If I can make one comment. I think, too, it depends on the nature of the trip. A lot of people that are going to be going into San Francisco from here, if they are going down for sport events, if they are going down for theater or something like that, they would usually be doing so in the off-peak hours when there is not a high level of congestion in San Francisco and the parking, of course, is much easier and much cheaper. I am thinking of the baseball game on Saturday afternoon, or the opera on Wednesday night, whatever.

Mr. MATSUI. Well, that of course could be rectified with a situation where you could have bus transportation from one of the terminal stops, if the train was used, I would imagine. I would imagine some bus company would be enterprising enough to look at that possibility.

Mr. WEBER. It could, yes.

Mr. MATSUI. Let me ask you another question, if I may, Mr. Weber. On November 21 a letter was directed to the mayor of the city of Sacramento regarding the proposed multimodal center at the Southern Pacific Depot. The estimate was approximately $8.5 million, so that the Southern Pacific is looking at purchasing the land, relocation costs, and also the cost of building; is that correct?

Mr. WEBER. I am not involved in those negotiations and I do not know.

Mr. MATSUI. You have no idea.

Mr. WEBER. I can find out for you and get the information to you, following this hearing, if you like.

Mr. **Matsui.** Obviously, since you have not been involved in this you would not really be able to respond to this—but I might make the statement that one of the concerns that I have is that the estimate of the Southern Pacific is so much greater than the independent appraisal of the city of Sacramento. It is my hope that you and your people will attempt to negotiate a fair and reasonable proposal with the city so that they might, and you might be able to benefit from this. I do not know if you want to comment on that.

Mr. **Weber.** The only comment that I can make is that I am aware that for some time there have been proposals for some type of activity center, a multimodal transportation center around that Sacramento station. The sale and all of that would be handled by our real estate people and, of course, then you are getting into who has made the appraisal and so forth. I am just not prepared to comment on that. I would be happy to give you an answer, communicate back to you.

Mr. **Matsui.** I certainly do not mean to pressure you on that. Mr. Thompson, the director of the Northeast corridor project seemed to indicate from a preliminary point of view that there would not be necessarily major freight problems on the Sacramento-bay area corridor. You indicate just the opposite. In fact, that seems to be one of the major points of your testimony. Could you pinpoint those particular areas that you would find to be a freight problem, delays?

Mr. **Weber.** I guess I could say that we would find a problem throughout the corridor and then, granted, there are some that are probably more of a problem than other ones. At the present time we are operating, on a typical day, somewhere between 40 and 50 through-freight trains in this corridor or over parts of the corridor. In addition, there are 25 local trains that go on duty and travel in some part of the corridor. That might be a train that goes from Sacramento up to Davis, is switching around there, and necessarily would have to use the main line to go out to Davis. It could be a local train down in the area between San Jose and Oakland which spends almost its entire time working on or off the main line there. As I said, there are numerous industries that have located there.

In addition, we would have a problem through Oakland yard. We have approximately between 50 and 60 yard engine assignments each day at West Oakland yard, which extends from Richmond on the north to Elmhurst in the East Oakland area of Oakland on the southeast. Many of those switch engines have to transit over the main line to get from one point to another. In other words, a switch engine is out switching some place in Emoryville, or Berkeley, or Richmond and has to use the main line to get from Oakland out to Berkeley or Richmond, or wherever they might be going.

Now, I am not saying that means that we have 40 or 50 trains that operate all the way from Sacramento to San Jose. We have some combinations throughout the territory. Of course, it varies seasonally and will be a little bit lower right now in the automobile business, which is a very substantial part of our business and among our most profitable business. That, of course, being down right now means fewer trains will be running with auto parts or completed automobiles.

Mr. Matsui. Well, are you saying if years down the road we do set up this corridor and it is in operation, that it would be unbearable for your business; or are you saying it would be inconvenient for your business?

Mr. Weber. I am saying that it would be for the most part unbearable.

Mr. Matsui. In other words, you have indicated in your written statement that you are talking about, perhaps, $65,000 a year in terms of actual freight loss time.

Mr. Weber. No, excuse me. Let me clarify what I intended to state there. I used as an example that passenger trains are necessarily going to have to delay freight trains. That means if a passenger train is going to leave Sacramento at a certain time and we would otherwise run a freight train out of this area, going toward the bay area, that the train would be held back. We will try to schedule to the extent that we can, but given the fact that freight trains come in from all over, from the east, from the north, and so forth, we will hold—to the extent we can—the freight trains so that passenger trains can go ahead. We will not delay the passenger train.

What I cited as an example of the dollar cost for a freight train, standing and waiting for a passenger train, we put a price on a typical 100-car freight train of approximately $6 per minute. Now, that includes all that expensive equipment there; that includes the fuel; that includes the wages of the crew and so on.

If one train were held for 30 minutes, if you held a train any time for a passenger, it would be hard from my past experience as an operating officer to see how it could be much less than 30 minutes; if it was done every day, you are talking about $65,000.

But I go on to say that in a corridor such as San Jose-Oakland-Sacramento there would be a large number of such delays every day, not just one freight train; but there would be the local train down around Newark that would have to wait; there would be the switch engines in Oakland that had to wait, and the other through trains trying to leave the yard at Oakland that would not leave until the passenger train leaves.

Mr. Matsui. You indicated you had 50 different freight trains operating daily; is that correct?

Mr. Weber. What we call through-freight trains, as opposed to the local trains. A through-freight train would be one that would go from Oakland to Sacramento, to Roseville; or from Oakland to San Jose without stopping to switch local industries, and would either go nonstop, or would stop to pick up some of the freight cars or leave some freight cars on some of those smaller sidings that we used to use for meeting trains when the freight trains were smaller, years ago.

Mr. Matsui. Assume that all 50 of them would have a 30-minute delay per day, which I find incredible; but assuming that for the sake of argument, you are still talking about $300,000 a year.

Mr. Weber. Yes. That seems wrong. How many trains?

Mr. Matsui. About 50. I assume a 30-minute delay per day for each of those trains, at $65,000 per year. I take that back.

Mr. Weber. It is more like $3 million.

Mr. Matsui. It is $3 million. Now, that would be a burden on your business, you are saying?

Mr. Weber. It would be a burden in this way: One, we have a lot of freight trains we are trying to handle now and make schedules for. If the service is delayed, we are going to lose a little bit of our business, a little bit more business is going to go off. The delays are cumulative; they add up over a period of time.

What we are concerned about is the degradation in schedule because it took another hour to get a train from here, from, say, San Jose to Oakland and another hour over the present time from Oakland to Roseville, 2 hours more a day. By the time you add that into the cost that we are talking about, it gets to be $6 a minute, it is a high cost. But it is also a slower service for the shipper who might the next time go by truck. We are running at a very fast rate and are not always very successful with the trucks. Of course, we feel in these energy short times they would rather go to the more energy-efficient railroads.

Mr. Matsui. Do you think that you could work with the passenger train group and attempt to work something out?

Mr. Weber. Not without substantial track, so we can move, so we could have a little more flexibility. For example, when a passenger train is going to run, say the train now runs from Oakland to Sacramento and on east, we will not put a freight train ahead of it out of Oakland by more than two hours. Now, that train comes in, is ready to go. It is going to have to sit there because if it went out two hours ahead of the passenger train there is a likelihood of the passenger train overtaking it, and it then being delayed by that freight train because there is no place for the freight train to get out of the way. There is one place, partly, coming between Oakland and Sacramento for a train where a long, standard-size freight train can get out of the way. Sometimes even that siding is filled with cars that are passing from one train to another.

Mr. Matsui. I see that as more of an inconvenience, just as I am inconvenienced on a daily basis when I want to get from my house to my office and the train happens to be going by, I am delayed 10 minutes or 15 minutes. I would imagine a lot of people in the audience are delayed in a similar fashion. That is one of those kinds of events of the day that I seem to live with and try to adapt myself to, even though it takes me away from my business. So, I am losing time, and perhaps money at the same time. For that reason I take it as an inconvenience that I suffer. I think the inconvenience is similar in your situation, also.

Mr. Weber. In some instances, including this corridor, it might be considered an inconvenience, from here to Davis and so forth. When we get further down to the industry, and so forth, it becomes much more than an inconvenience. If a train is kept from going out on the main line to do its work for 1 hour, 2 hours, then that work does not get done. A car picked up from an industry can easily miss a schedule from a 2-hour delay. When that happens, it is a 1-day delay because for the most part we would only run one schedule a day to various points. In other words, one schedule a day that goes from Oakland to North Platte, Nebr. on the Union Pacific. If it does not make it, then it is held back for 24 hours and it goes the next day. Now, maybe we could move it further up to Roseville and maybe you can keep it moving toward Ogden, but from a schedule delay, by the time the Union Pacific would pick it up at Ogden, it is a day's delay.

Mr. **Matsui**. Or maybe they would try to reroute it so it would not conflict with the time that the passenger train would be going through.

Mr. **Weber**. Well, this is what I tried to indicate in my printed testimony, that even with the best scheduling we believe there would still be substantial delay for the freight trains.

Mr. **Matsui**. I have no further questions at this time, thank you.

Mr. **Florio**. Thank you very much.

With regard to your comments on the energy comparison, I would like to put into the record statistics that I think are significant and perhaps more relevant to the national goal that we are attempting to achieve. A six-seat automobile carrying two passengers, consumes four times as much energy per passenger mile as does an Amtrak train which is 50 percent filled. Incidentally, as was determined yesterday in San Diego, the San Diego-Los Angeles run averaged 51 percent capacity over the last year. I think that is more relevant because what we are talking about is not the artificial confrontation between buses and trains. Yesterday's hearing also determined that 1.9 percent of the total passenger traffic in that corridor was carried by train; 1.6 percent of the total traffic was carried by bus; 3 percent, roughly, by airplane, and 93 or 94 percent by automobile.

The major national movement has got to be to get people out of automobiles into trains or buses, as the case may be. In fact, trains are more energy efficient under certain circumstances. So, I am not sure that trying to pit buses against trains is really dealing with the energy needs of this particular Nation.

So, I think it is appropriate that we have in the record types of energy savings that can be generated as a result of providing service for people, getting them out of automobiles and into trains in appropriate corridors, with the appropriate traffic density.

I was interested in, and I think it is appropriate that you are concerned about the economic health of your railroad. Although, in honesty, I have never heard the condition of the Southern Pacific couched in terms of survival. Coming from the East and the Conrail service area, that might be appropriate. I am not sure if the Southern Pacific's survival is in fact going to be jeopardized by some of the proposals that we are talking about.

But is it not the case that the Amtrak contract with Southern Pacific is not ungenerous? It in fact yields sufficient profit to be beneficial. In fact some passenger contracts, contracts with the Southern Pacific, yield more profit than some of the commodities that are carried, at some of the freight rates that you charge.

My understanding is, that there is more profit generated from some of the Amtrak contracts than there is generated from carrying some freight commodities.

Mr. **Weber**. I think that would be true for some commodities, there is no question about that. Rock sand and gravel, for example, have very low rates which we have always had extreme difficulties in getting raised so that they would be compensatory as well as contribute profit. There is no question that a lot of traffic—and this is getting into another area of regulation—but there is no question that we are carrying a lot of traffic which is noncompensatory and we just cannot raise the rates on it. That is true.

As far as the actual profit, though, I am not sure I would say across the board, no. We are not looking at Amtrak passenger train services as being a tremendous profitmaker for Southern Pacific. They meet some of the costs, yes.

Mr. **Florio**. Well, all I am suggesting to you, in the evaluation of delays, is that there are other considerations not only public convenience, also the moneymaking capability, particularly when compared with some of your freight traffic. You have emphasized freight traffic from the perspective of the apparent lucrativeness of freight traffic. That is not universally the case, as I understand it.

Mr. **Weber**. That is true. But the thing is, our new traffic, or traffic we presently have, we are trying to get those rates increased. We are, of course, very concerned and we are getting some very good support from the current administration and from Congress in talking in terms of deregulation of railroad freight traffic. We have done this with perishable traffic last year, to make it more compensatory.

The reason we have such a low rate of return, though, is because if we had greater deregulation we would be able to get the rates up a little higher. Sometimes they are just not close enough. So, we run with a little less than we would like to do on investment and plant. We were making a plant years ago that was adequate for a lot of passengers and few freight; we are trying to make it adequate for a lot of freight and few passengers.

As I cited, in this corridor, we have taken shorter sidings out of service to use for freight cars for temporary storage as well as for switching purposes, there is no question about that.

Do you want me to comment on the energy?

Mr. **Florio**. Yes.

Mr. **Weber**. I do not know what size cars you are speaking about, and so forth. I think if we are talking about the overall energy use and convenience, if you have a train, such as in this corridor—or any corridor—that can go from downtown Sacramento to the vicinity of Oakland and on to San Jose, it is a question of how convenient the location of that rail line is to where people leave or where they are going.

Now, in the past we have found that, among other things, our trains just did not go to the places that people wanted to go. So, that means that they have to have other means of transportation to get to the point to get the train, and when they get to their destination, unless they are coming into Sacramento on State business and can walk, they have to arrange for other transportation—whether personal automobile, taxi, bus or whatever—to make the final stage of their trip. Now, that is true in buses, there is no question about that. But that has to be weighed, too, in the equation, the total origin and destination of the person traveling, as opposed to the carrier.

Mr. **Florio**. Mr. Weber, we thank you for your testimony. Let me just add as an aside, your organization is represented very well in Washington, and we constantly receive from your representatives information as to your perspectives, particularly concerning deregulation.

I think I can represent to you that this committee is very sensitive to the need for some modifications in the whole regulatory system. This committee fully intends to deal in a very direct and dynamic way with this problem, and we will have legislation to be considered at hearings in the very near future. We fully intend to see that such legislation is enacted into law this year.

We thank you very much for your cooperation.

Mr. **Weber**. Thank you. We appreciate and are well aware of the work that you are doing in Congress along this line. Thank you.

Mr. **Florio**. Our next witness is Mr. Jeff Rupp, deputy director, California Department of Transportation.

STATEMENT OF JEFF RUPP, DEPUTY DIRECTOR, CALIFORNIA DEPARTMENT OF TRANSPORTATION

Mr. **Rupp**. Mr. Chairman, Congressman Matsui, we are pleased to welcome you in Sacramento. The director has asked me to express her regrets for not being here. If it were not for a longstanding meeting with the mayor of Los Angeles, I am sure she would have been happy to come here.

Mr. **Florio**. We were pleased to receive her testimony yesterday in San Diego.

Mr. **Rupp**. We are very appreciative, of course, that you came to California, and we are especially appreciative that Congressman Matsui is on this important subcommittee.

With the indulgence of the committee, I will keep it brief. I would like to highlight the remarks that the director made yesterday before I get into the specific comments that were asked about the service from this area.

Our purpose in testifying, both in San Diego and here today, is to encourage a Federal commitment in conjunction with the State, to develop a California rail passenger corridor for the length of the State between San Diego and Sacramento. This 500-mile-long corridor, we feel, is composed of three individual segments. The first segment being from San Diego to Los Angeles; the second from Los Angeles to San Francisco, and the third segment from San Francisco to Sacramento. When I talk about the Los Angeles-San Francisco Bay area segment, I am including both the coastal and inland routes, as well as the services and facilities.

In support of this recommendation, I would like to briefly cover three points.

First, the justification for establishing this corridor in its entirety. Second, to demonstrate to you that the State does have a commitment to make improvements in that corridor, and third, a brief description of how we see these stages developed.

As for the justification, this 500-mile corridor stretching from San Diego, San Francisco, to Sacramento, there are about 20 million people along this corridor and it is one of the most heavily traveled and fastest-growing corridors in the country. Since 1960, the population has increased at a rate almost four times as great as the Northeast corridor. Recent estimates indicate this trend is expected to continue through the year 2000.

This 500-mile length, to put it in perspective, we feel is not prohibitive for the establishment of the corridor, and the fact that it has the three segments is not unusual. As the director mentioned, one of Japan's bullet train corridors is 730 miles long. The Northeast corridor is approximately 500 miles long. The Northeast corridor also has several segments which carry heavy traffic, and the importance of a continuous route linking the various segments has been well established. As an example, the high ridership on the New York-Philidelphia segment is partially due to the continuous service along the entire Northeast corridor.

In terms of the State commitment to improvements, this administration has made a very firm commitment to improvement of passenger rail service. The State is not merely thinking about a commitment any longer, it is improving the intercity rail service and it is backed up by both State legislation and State dollars. In Governor Brown's "State of the State Message" just last week he indicated this administration's continuing and increasing commitment to the improvement of rail service.

Now, in terms of the stages of development, I would like to outline how we see the stages of development along this corridor progressing.

The first stage would be the most important, and it is also the least expensive. The energy picture is changing so rapidly that while we do emphatically support proposals for a long-range capital improvement program, we also implore you to consider what actions you can take to get more trains running in California within the next year or two.

The first stage in this program we feel should begin immediately and be implemented within a 3-year period. We feel that this first element should allow for major capital improvements in the San Diego-Los Angeles segment to reduce travel time 27 minutes at a cost of $70 million; provide safety and operational improvements at a cost of $35 million, and improve stations at a cost of $39 million. The $39 million being mostly in the Union Station complex in Los Angeles.

We feel that station improvements in the remaining two segments of the corridor could be improved for approximately $20 million.

Major capital improvements as far as this first stage on the San Francisco Bay Area-Sacramento segment to reduce travel time 15 minutes at a cost of $36 million. That would be done mostly through curve straightenings, signals, additional sidings, et cetera.

We would like to see the service frequency increased in the entire corridor to the following levels:

In the segment between San Diego and Los Angeles, we would like to have eight trains operating daily.

In the piece between Los Angeles and San Francisco, we would like four trains daily.

In the piece between San Francisco and Sacramento, we would like five trains daily.

As far as the second phase of this three-phase program, we would see this being implemented by 1990. This would call for major capital improvements on the remainder of the corridor to provide improved track standards allowing 110 miles per hour top speed on straight track outside of urbanized areas at a cost of approximately $1 billion. More specifically, this stage should include a project to tunnel under the mountains between Bakersfield and Los Angeles to provide for high speed rail operation between these two cities.

Further increases in train frequencies in segments of the corridor should be added, consistent with an increase in demand.

The final stage would complete the development of the corridor sometime after 1990 through major new high speed track alinements throughout the corridor and possible electrification of the San Diego-Los Angeles segment.

In summary, I urge a Federal commitment for $200 million for stage 1, and $1 billion for the stage 2 improvements. The level of funding for stage 3 should be comparable to the funds provided for the Northeast corridor, consistent with increasing demand.

I would like to point out at this point that $1 invested at the west coast now buys more rail service improvement than the same dollar would on the Northeast corridor.

More specifically, 42 minutes can be saved from scheduling in the California corridor by spending $200 million in capital improvements. This translates into an average cost of less than $5 million for every minute saved. In contrast, approximately $2.5 billion will be spent in the Northeast corridor for an average time savings of 60 minutes. This is equivalent to approximately $40 million for each minute saved—more than eight times the cost per minute on the west coast.

I would like to point out here that it is not the intention of the State to rob money from the Northeast corridor for the California corridor. We feel strongly that train service nationwide should be increased, and all we are looking for is the recognition that we too deserve some Federal funding for our corridor.

The scope of the dollars that I have discussed may seem large, but I think the Federal Government needs to make an investment in rail, just as it has in the past made an investment in highways. From 1965 to 1975, the heyday of freeways and interstate highway construction, nearly $5 billion in Federal money was spent on roads in California, matched by, of course, State moneys. The State of California is prepared, in partnership with the Federal Government, to embark on a rail program for the 1980's and beyond that will bring our transportation system in line with the energy and other realities of the future.

Let me turn now to deal with the specifics regarding the Sacramento-San Francisco Bay Area segment of the California corridor.

The Department has for some time recognized the importance of providing an intercity transit system to serve the Sacramento-San Francisco Bay Area market. In 1973, the Department joined with the State senate, the U.S. Department of Transportation and the regional planning agencies to undertake a study of the intercity transportation needs of this segment of the corridor, and to develop a short and long-range transportation program to meet the needs of the intercity traveler. The Sacramento-Stockton-San Francisco Bay Area study resulted in the first comprehensive multimodal corridor study in the United States to be undertaken jointly by three levels of government.

The recommendations resulting from the study called for a three-stage program to improve passenger rail service on upgraded tracks between Oakland and Sacramento, with a possible extension to Reno, Nev. Subsequent analysis has indicated that rail service also should be extended to San Jose.

For your information, I am making available to the committee a copy of the study's executive summary as well as the final report.

In 1976, the State legislature passed and the Governor signed legislation providing more than $3 million to implement the recommendations contained in the study's final report. Nearly $2 million of these funds were authorized specifically for the additional rail passenger service through contracting with Amtrak under section 403(b) of the National Railroad Passenger Services Act. Other moneys appropriated in this legislation included funds to improve rail passenger stations and to provide feeder bus service.

Since the passage of this legislation, Caltrans has attempted to work with Amtrak and the Southern Pacific Transportation Co. to implement the first stage study recommendations. Southern Pacific's refusal to operate two new trains in the corridor segment, combined with the unacceptable conditions they have placed on the operation of a single train, has forced Amtrak and Caltrans to file a formal complaint with the national arbitration panel.

The complaint asks that the panel require Southern Pacific to operate an additional daily train between Sacramento, Oakland, San Jose, and Los Angeles. The new train would not only provide service between the bay area and Sacramento, but also provide additional service to handle the expanding rail market between Los Angeles and the bay area.

Caltrans' involvement in the Sacramento-Bay Area corridor segment has gone beyond requesting more rail services. The Department has designed and constructed a cross-platform transfer station at the Richmond BART station to provide for a direct pedestrian connection between BART and Amtrak. The station also accommodates the local transit system and a small intercity carrier. Future plans call for Greyhound to also serve the station as well.

Further, in anticipation of new rail service in this corridor segment, the Department has provided funding to Amtrak to upgrade and improve Amtrak stations in Sacramento, Davis, and Suisun-Fairfield, and these improvements have been completed. However, we are still waiting for the rail service.

Also, the Department has studied the feasibility of rerouting the Coast Starlight via Sacramento, Marysville, and Chico. I have made available to the committee a detailed report on this rerouting. If the Coast Starlight is rerouted, additional service between the Bay Area and Sacramento would be provided, and there would be a greatly expanded market for the Coast Starlight.

I have included with my testimony for the committee a specific written response to your detailed questions. If that suffices, I would be more than happy to answer any questions you may have. Again, thank you for coming to California.

[Testimony resumes on p. 243.]

[Mr. Rupp's prepared statement follows:]

TESTIMONY BEFORE THE SUBCOMMITTEE
ON TRANSPORTATION AND COMMERCE

SACRAMENTO
JANUARY 15, 1980
BY
JEFF RUPP, DEPUTY DIRECTOR
CALIFORNIA DEPARTMENT OF TRANSPORTATION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

ADRIANA GIANTURCO, THE DIRECTOR OF CALTRANS, GAVE TESTIMONY YESTERDAY IN SAN DIEGO. WITH THE INDULGENCE OF THE COMMITTEE, I WOULD LIKE TO OFFER SIMILAR TESTIMONY TODAY EXCEPT FOR THE SPECIFIC COMMENTS AND CURRENT STUDIES ON THE SAN FRANCISCO/ SACRAMENTO CORRIDOR, WHICH I HAVE INCLUDED IN MY WRITTEN TESTIMONY.

THE PRIMARY PURPOSE OF MY TESTIMONY TODAY IS TO ENCOURAGE A FEDERAL COMMITMENT, IN CONJUNCTION WITH THE STATE OF CALIFORNIA, TO THE DEVELOPMENT OF A CALIFORNIA RAIL CORRIDOR BETWEEN SAN DIEGO AND SACRAMENTO. THIS 500-MILE-LONG CORRIDOR IS COMPOSED OF THREE SEGMENTS: SEGMENT 1 FROM SAN DIEGO TO LOS ANGELES; SEGMENT 2 FROM LOS ANGELES TO THE SAN FRANCISCO BAY AREA; AND SEGMENT 3 FROM THE SAN FRANCISCO BAY AREA TO SACRAMENTO. WHEN I TALK ABOUT THE LOS ANGELES/SAN FRANCISCO BAY AREA SEGMENT, I AM INCLUDING BOTH THE COASTAL AND INLAND ROUTES, AS WELL AS THE SERVICES AND FACILITIES.

IN THE SUPPORT OF THIS RECOMMENDATION, I WILL COVER THE FOLLOWING POINTS: FIRST, THE JUSTIFICATION FOR ESTABLISHING THE CORRIDOR

IN ITS ENTIRETY; SECOND, THE STATE'S COMMITMENT TO IMPROVEMENTS IN THE CORRIDOR; THIRD, A BRIEF DESCRIPTION OF HOW WE SEE STAGES OF DEVELOPMENT; AND FINALLY, RECOMMENDATIONS FOR FEDERAL ACTION.

JUSTIFICATION

THE 500-MILE CORRIDOR STRETCHING FROM SAN DIEGO IN THE SOUTHERN PART OF CALIFORNIA TO SACRAMENTO AND THE SAN FRANCISCO BAY AREA IN THE NORTHERN PART OF THE STATE INCLUDES ABOUT 20 MILLION PEOPLE, AND IS ONE OF THE MOST HEAVILY TRAVELED AND FASTEST GROWING CORRIDORS IN THE COUNTRY. SINCE 1960, POPULATION HAS INCREASED IN THE CALIFORNIA CORRIDOR AT A RATE ALMOST FOUR TIMES AS GREAT AS THE NORTHEAST CORRIDOR. RECENT ESTIMATES INDICATE THIS TREND IS EXPECTED TO CONTINUE THROUGH THE YEAR 2000.

TRAINS CURRENTLY RUNNING WITHIN CALIFORNIA, OR WITH A TERMINAL POINT IN CALIFORNIA, GENERATED 953 MILLION PASSENGER MILES IN 1977. THIS IS ONLY 108 MILLION PASSENGER MILES LESS THAN TRAINS IN THE NORTHEAST CORRIDOR. A GOOD INDICATION THAT IMPROVED RAIL SERVICE IN THE CALIFORNIA CORRIDOR WILL RESULT IN DRAMATIC INCREASES IN RIDERSHIP IS SEEN IN THE SAN DIEGO-LOS ANGELES SEGMENT. SINCE THE BEGINNING OF THE STATE'S FINANCIAL INVOLVEMENT IN RAIL SERVICE IN THIS SEGMENT, PASSENGER RIDERSHIP HAS INCREASED ALMOST 300 PERCENT AND HAS ALREADY SURPASSED A 1995 RIDERSHIP PROJECTION FROM A 1976 CORRIDOR STUDY.

ANOTHER INDICATION OF THE POTENTIAL FOR RAIL PASSENGER RIDERSHIP IS THE PROBLEM BEING EXPERIENCED IN AIR TRAVEL BECAUSE OF HIGH FUEL COSTS AND RECENT AIRLINE DEREGULATION.

THE LOS ANGELES-BAY AREA SEGMENT OF THE CALIFORNIA CORRIDOR CONSTITUTES THE WORLD'S LARGEST AIR TRAVEL MARKET IN TERMS OF ANNUAL PASSENGERS. IT IS ALSO THE INTERCITY TRAVEL CORRIDOR MOST VULNERABLE TO DISRUPTION BY RECENT HIGH ENERGY COSTS BECAUSE OF THE RELATIVE INEFFICIENCY OF SHORT-HAUL AIR TRAVEL. A REFLECTION OF HOW THE ENERGY SITUATION HAS AFFECTED THIS MARKET MAY BE SEEN IN AIR FARES, WHICH HAVE GONE FROM $30 TO $50 IN A SINGLE YEAR. ALL INDICATIONS ARE THAT ENERGY COSTS WILL CONTINUE THEIR UPWARD SPIRAL, ESPECIALLY NOW IN THE DEREGULATED AIR MARKET WHERE PRICES WILL FOLLOW COSTS MORE CLOSELY.

CONSEQUENTLY, MANY CALIFORNIANS WILL FIND THEMSELVES PRICED OUT OF THE AIR TRAVEL MARKET OR UNABLE TO OBTAIN SERVICE. AIR CARRIERS HAVE ALREADY SUBSTANTIALLY CUT THEIR SAN DIEGO-LOS ANGELES SERVICE. ONE AIRLINE SPOKESMAN WAS RECENTLY QUOTED AS SAYING, "THE CLIMB TO ALTITUDE EATS FUEL, AND 20-MINUTE HOPS ARE MURDER. WE COULD RUN EVERY FLIGHT TO LAX AT 110 PERCENT CAPACITY AND LOSE MONEY".

THE COST OF AUTO TRAVEL HAS ALSO INCREASED SIGNIFICANTLY, AS YOU KNOW. THE MOST RECENT HERTZ SURVEY STATES THAT THE TOTAL COST OF AUTOMOBILE OPERATION IS 38 CENTS PER MILE. AT THIS RATE, THE COST OF A 500-MILE TRIP BY AUTOMOBILE WOULD BE $190.00 -- WHICH IS SIGNIFICANTLY HIGHER THAN THE RAIL FARE.

THE CONSERVATION OF ENERGY MUST OBVIOUSLY BE A MAJOR CONSIDERATION IN DEVELOPING TRANSPORTATION ALTERNATIVES. THE ENERGY CONSUMPTION OF INTERCITY TRAINS USING AMFLEET, OR OTHER MODERN EQUIPMENT, IS REASONABLY LOW. THE LOS ANGELES-SAN DIEGO TRAINS HAVE BEEN

PRODUCING ABOUT 100 PASSENGER-MILES PER GALLON, AS COMPARED WITH AUTO'S 45 PASSENGER-MILES PER GALLON, OR SHORT-HAUL AIR SERVICE'S 30 PASSENGER-MILES PER GALLON.

FINALLY, THE 500-MILE LENGTH OF THE CALIFORNIA CORRIDOR IS NOT PROHIBITIVE AND THE FACT THAT IT HAS THREE SEGMENTS IS NOT UNUSUAL. JAPAN'S TOKYO-HOKATA BULLET TRAIN ROUTE IS 730 MILES LONG; THE NORTHEAST CORRIDOR IS APPROXIMATELY 500 MILES. THE NORTHEAST CORRIDOR ALSO HAS SEVERAL SEGMENTS WHICH CARRY HEAVY TRAFFIC AND THE IMPORTANCE OF A CONTINUOUS ROUTE LINKING THE VARIOUS SEGMENTS HAS BEEN WELL ESTABLISHED. FOR EXAMPLE, THE HIGH RIDERSHIP ON THE NEW YORK-PHILADELPHIA SEGMENT IS PARTIALLY DUE TO THE CONTINUOUS SERVICE ALONG THE ENTIRE NORTHEAST CORRIDOR.

STATE COMMITMENT TO IMPROVEMENTS IN THE CORRIDOR

NOW I WOULD LIKE TO COMMENT ON CALIFORNIA'S COMMITMENT TO PASSENGER RAIL SERVICE, WHICH I BELIEVE SHOULD BE A CRITICAL FACTOR IN DETERMING FEDERAL INVOLVEMENT AND COMMITMENT. THE STATE IS NOT MERELY THINKING ABOUT A COMMITMENT TO IMPROVING INTERCITY RAIL SERVICE, THE STATE HAS MADE A COMMITMENT--IN LEGISLATION AND IN PROVIDING DOLLARS TO BACK UP THAT LEGISLATION.

PRIOR TO JUNE 1979, STATE LEGISLATION HAD PROVIDED OVER $13 MILLION FOR RAIL SERVICE IMPROVEMENTS IN BOTH THE SAN DIEGO-LOS ANGELES SEGMENT AND THE SACRAMENTO-SAN JOSE SEGMENT. IN RESPONSE TO LEGISLATION AND ADMINISTRATION DIRECTION THE DEPARTMENT HAS COMPLETED SEVERAL STUDIES ON CORRIDOR IMPROVEMENTS, INCLUDING THE

SAN DIEGO-LOS ANGELES RAIL PASSENGER ENGINEERING FEASIBILITY STUDY, THE SAN FRANCISCO BAY AREA-SACRAMENTO -STOCKTON CORRIDOR STUDY, THE CALTRANS PROGRAM OF INTERCITY RAIL SERVICE AND THE DRAFT RAIL PASSENGER DEVELOPMENT PLAN.

IN 1979, THE GOVERNOR SIGNED SENATE BILL 620 WHICH APPROPRIATED $37 MILLION FOR CAPITAL AND OPERATING FUNDS FOR PASSENGER RAIL SERVICES TO IMPLEMENT THE RECOMMENDATIONS OF THESE STUDIES AND PLANS.

CALIFORNIA IS ONE OF ONLY SIX STATES WITH 403(B) SERVICE. CURRENTLY UNDER 403(B) WE PROVIDE SERVICE IN THE SAN DIEGO/LOS ANGELES SEGMENT--THE SAN DIEGAN--AND IN THE LOS ANGELES/BAY AREA SEGMENT--THE SAN JOAQUIN. WE HAVE REQUESTED INITIATION OF THE FOLLOWING NEW 403(B) SERVICES IN THE CALIFORNIA CORRIDOR: A SACRAMENTO-OAKLAND-LOS ANGELES OVERNIGHT TRAIN; EXTENSION OF THE TWO OAKLAND-BAKERSFIELD TRAINS TO LOS ANGELES; AND AN ADDITIONAL LOS ANGELES-SAN DIEGO TRAIN. IN ADDITION WE HAVE ASKED AMTRAK TO OPERATE AND FULLY FUND AN EIGHTH DAILY TRAIN IN THE SAN DIEGO/LOS ANGELES SEGMENT OF THE CORRIDOR.

IN GOVERNOR BROWN'S STATE OF THE STATE REPORT JUST LAST WEEK, HE INDICATED HIS ADMINISTRATION'S CONTINUED AND INCREASING COMMITMENT TO IMPROVING INTERCITY RAIL SERVICE.

IT IS VERY APPARENT, THEN, THAT CALIFORNIA HAS ESTABLISHED A COMMITMENT BOTH LEGISLATIVELY AND ADMINISTRATIVELY IN PLANNING, FUNDING, AND IMPLEMENTING IMPROVED RAIL SERVICE.

STAGES OF DEVELOPMENT

I WILL NOW OUTLINE THE STAGING AND DEVELOPMENT OF THE CALIFORNIA CORRIDOR, AS WE SEE IT. THE FIRST STAGE IS THE MOST IMPORTANT, BUT IS THE LEAST EXPENSIVE. THE ENERGY PICTURE IS CHANGING SO RAPIDLY THAT, WHILE WE DO EMPHATICALLY SUPPORT THE PROPOSALS FOR LONG-RANGE CAPITAL IMPROVEMENT PROGRAMS, WE MUST ALSO IMPLORE YOU TO CONSIDER WHAT ACTIONS YOU CAN TAKE TO GET MORE TRAINS RUNNING IN THE CALIFORNIA CORRIDOR WITHIN THE NEXT YEAR OR TWO.

THE FIRST STAGE OF THE PROGRAM SHOULD START IMMEDIATELY AND BE IMPLEMENTED WITHIN A THREE-YEAR PERIOD TO INCLUDE THE FOLLOWING ELEMENTS:

- MAJOR CAPITAL IMPROVEMENTS ON THE SAN DIEGO/LOS ANGELES SEGMENT TO REDUCE TRAVEL TIME 27 MINUTES AT A COST OF $70 MILLION, PROVIDE SAFETY AND OPERATIONAL IMPROVEMENTS AT A COST OF $35 MILLION, AND IMPROVE STATIONS AT A COST OF $39 MILLION.
- STATION IMPROVEMENTS IN THE REMAINING TWO SEGMENTS OF THE CALIFORNIA CORRIDOR AT A COST OF APPROXIMATELY $20 MILLION.
- MAJOR CAPITAL IMPROVEMENTS ON THE SAN FRANCISCO BAY AREA/ SACRAMENTO SEGMENT TO REDUCE TRAVEL TIME 15 MINUTES AT A COST OF $36 MILLION.
- INCREASED TRAIN FREQUENCIES IN THE ENTIRE CORRIDOR TO THE FOLLOWING LEVELS --

- 8 TRAINS DAILY, EACH WAY, BETWEEN LOS ANGELES-SAN DIEGO
- 4 TRAINS DAILY, EACH WAY, BETWEEN LOS ANGELES-SF BAY AREA
- 5 TRAINS DAILY, EACH WAY, BETWEEN SF BAY AREA-SACRAMENTO

THE SECOND STAGE OF THE PROGRAM SHOULD BE IMPLEMENTED BY 1990 AND INCLUDE:

- MAJOR CAPITAL IMPROVEMENTS ON THE REMAINDER OF THE CORRIDOR TO PROVIDE IMPROVED TRACK STANDARDS ALLOWING 110 MPH TOP SPEED ON STRAIGHT TRACK OUTSIDE OF URBANIZED AREAS AT A COST OF ABOUT $1 BILLION. MORE SPECIFICALLY, THIS STAGE SHOULD INCLUDE A PROJECT TO TUNNEL UNDER THE MOUNTAINS BETWEEN BAKERSFIELD AND LOS ANGELES TO PROVIDE FOR HIGH SPEED RAIL OPERATION BETWEEN THESE TWO CITIES.
- FURTHER INCREASES IN TRAIN FREQUENCIES IN SEGMENTS OF THE CORRIDOR CONSISTENT WITH INCREASING DEMAND.

STAGE THREE WOULD COMPLETE THE DEVELOPMENT OF THE CORRIDOR SOMETIME AFTER 1990 THROUGH MAJOR NEW HIGH SPEED TRACK ALIGNMENTS THROUGHOUT THE CORRIDOR AND POSSIBLE ELECTRIFICATION OF THE SAN DIEGO-LOS ANGELES SEGMENT.

IN SUMMARY, I URGE A FEDERAL COMMITMENT FOR $200 MILLION FOR THE STAGE ONE IMPROVEMENTS AND $1 BILLION FOR THE STAGE TWO IMPROVEMENTS. THE LEVEL OF FUNDING FOR STAGE THREE SHOULD BE COMPARABLE TO THE FUNDS PROVIDED FOR THE NORTHEAST CORRIDOR CONSISTENT WITH INCREASING DEMAND.

I'D LIKE TO CONCLUDE BY POINTING OUT THAT ONE DOLLAR INVESTED NOW ON THE WEST COAST BUYS MUCH MORE RAIL SERVICE IMPROVEMENT THAN THE SAME DOLLAR WOULD ON THE NORTHEAST CORRIDOR.

MORE SPECIFICALLY, 42 MINUTES CAN BE SAVED FROM SCHEDULING IN THE CALIFORNIA CORRIDOR BY SPENDING $200 MILLION IN CAPITAL IMPROVEMENTS. THIS TRANSLATES INTO AN AVERAGE COST OF LESS THAN $5 MILLION FOR EVERY MINUTE SAVED. IN CONTRAST, APPROXIMATELY $2.5 BILLION WILL BE SPENT IN THE NORTHEAST CORRIDOR FOR AN AVERAGE TIME SAVINGS OF 60 MINUTES. THIS IS EQUIVALENT TO APPROXIMATELY $40 MILLION FOR EACH MINUTE SAVED--MORE THAN EIGHT TIMES THE PER MINUTE COST ON THE WEST COAST.

I URGE YOU TO MOVE FORWARD WITH THIS MOST IMPORTANT PROJECT. THE SCOPE AND THE DOLLARS MAY SEEM LARGE, BUT I THINK THE FEDERAL GOVERNMENT NEEDS TO MAKE AN INVESTMENT IN RAIL JUST AS IT HAS, IN THE PAST, MADE AN INVESTMENT IN HIGHWAYS. FROM 1965 TO 1975, THE HEYDAY OF FREEWAYS AND INTERSTATE HIGHWAYS CONSTRUCTION, NEARLY $5 BILLION OF FEDERAL MONEY WAS SPENT ON ROADS IN CALIFORNIA, MATCHED OF COURSE BY STATE MONIES. THE STATE OF CALIFORNIA IS PREPARED, IN PARTNERSHIP WITH THE FEDERAL GOVERNMENT, TO EMBARK ON A RAIL PROGRAM FOR THE 1980'S AND BEYOND THAT WILL BRING OUR TRANSPORTATION SYSTEM IN LINE WITH THE ENERGY AND OTHER REALITIES OF THE FUTURE.

THANK YOU.

I HAVE ATTACHED IN WRITTEN FORM, SPECIFIC ANSWERS TO YOUR TECHNICAL QUESTIONS WHICH I AM SUBMITTING FOR THE RECORD. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

SPECIFIC INFORMATION RELATING TO THE SACRAMENTO-SAN FRANCISCO BAY AREA SEGMENT OF THE CALIFORNIA CORRIDOR

LET ME TURN NOW TO DEAL WITH THE SPECIFICS REGARDING THE SACRAMENTO-SAN FRANCISCO BAY AREA SEGMENT OF THE CALIFORNIA CORRIDOR.

THE DEPARTMENT HAS FOR SOME TIME RECOGNIZED THE IMPORTANCE OF PROVIDING AN INTERCITY TRANSIT SYSTEM TO SERVE THE SACRAMENTO-SAN FRANCISCO BAY AREA MARKET. IN 1973, THE DEPARTMENT JOINED WITH THE STATE SENATE, THE U.S. DEPARTMENT OF TRANSPORTATION AND THE REGIONAL PLANNING AGENCIES TO UNDERTAKE A $700,000 STUDY OF THE INTERCITY TRANSPORTATION NEEDS OF THIS SEGMENT OF THE CORRIDOR, AND TO DEVELOP A SHORT- AND LONG-RANGE TRANSPORTATION PROGRAM TO MEET THE NEEDS OF THE INTERCITY TRAVELER. THIS SACRAMENTO-STOCKTON-SAN FRANCISCO BAY AREA STUDY REPRESENTED THE FIRST COMPREHENSIVE MULTIMODAL CORRIDOR STUDY IN THE UNITED STATES TO BE UNDERTAKEN JOINTLY BY THREE LEVELS OF GOVERNMENT.

THE RECOMMENDATIONS RESULTING FROM THE STUDY CALLED FOR A THREE-STAGE PROGRAM TO IMPROVE PASSENGER RAIL SERVICE ON UPGRADED TRACKS BETWEEN OAKLAND AND SACRAMENTO, WITH A POSSIBLE EXTENSION TO RENO, NEVADA. SUBSEQUENT ANALYSIS HAS INDICATED THAT RAIL SERVICE ALSO SHOULD BE EXTENDED TO SAN JOSE.

LET ME TAKE A MOMENT TO HIGHLIGHT THE THREE STAGES OF IMPROVEMENT RECOMMENDED IN THE FINAL REPORT.

STAGE I - PROVIDE FOR THREE ADDITIONAL TRAINS IN EACH DIRECTION DURING PEAK PERIODS TO SERVE THE INTERCITY MARKET.

STAGE II - ADD ONE ADDITIONAL TRAIN IN EACH DIRECTION AND EXTEND TWO TRAINS TO RENO, NEVADA.

STAGE III - UPGRADE TRACKS AND INSTALL NEW SIGNAL SYSTEMS TO ACHIEVE 90 MPH SPEEDS FOR A 75-MINUTE OAKLAND TO SACRAMENTO SERVICE.

FOR YOUR INFORMATION, I HAVE ATTACHED TO MY STATEMENT A COPY OF THE STUDY'S EXECUTIVE SUMMARY AND FINAL REPORT.

IN 1976, THE STATE LEGISLATURE PASSED AND THE GOVERNOR SIGNED LEGISLATION PROVIDING MORE THAN $3 MILLION TO IMPLEMENT THE RECOMMENDATIONS CONTAINED IN THE STUDY'S FINAL REPORT. NEARLY $2 MILLION OF THESE FUNDS WERE AUTHORIZED SPECIFICALLY FOR ADDITIONAL RAIL PASSENGER SERVICE THROUGH CONTRACTING WITH AMTRAK UNDER SECTION 403(B) OF THE NATIONAL RAILROAD PASSENGER SERVICE ACT. OTHER MONIES APPROPRIATED IN THIS LEGISLATION INCLUDED FUNDS TO IMPROVE RAIL PASSENGER STATIONS AND TO PROVIDE FEEDER BUS SERVICE.

SINCE THE PASSAGE OF THIS LEGISLATION, CALTRANS HAS ATTEMPTED TO WORK WITH AMTRAK AND THE SOUTHERN PACIFIC TRANSPORTATION COMPANY TO IMPLEMENT THE FIRST STAGE STUDY RECOMMENDATIONS. SOUTHERN PACIFIC'S

REFUSAL TO OPERATE TWO NEW TRAINS IN THE CORRIDOR SEGMENT, COMBINED WITH THE UNACCEPTABLE CONDITIONS THEY HAVE PLACED ON THE OPERATION OF A SINGLE TRAIN, HAS FORCED AMTRAK AND CALTRANS TO FILE A FORMAL COMPLAINT WITH THE NATIONAL ARBITRATION PANEL.

THE COMPLAINT ASKS THAT THE PANEL REQUIRE SOUTHERN PACIFIC TO OPERATE AN ADDITIONAL DAILY TRAIN BETWEEN SACRAMENTO, OAKLAND, SAN JOSE AND LOS ANGELES. THIS NEW TRAIN WOULD NOT ONLY PROVIDE SERVICE BETWEEN THE BAY AREA AND SACRAMENTO, BUT ALSO WOULD PROVIDE ADDITIONAL SERVICE TO HANDLE THE EXPANDING RAIL MARKET BETWEEN LOS ANGELES AND THE BAY AREA.

CALTRANS' INVOLVEMENT IN THE SACRAMENTO-BAY AREA CORRIDOR SEGMENT HAS GONE BEYOND REQUESTING MORE RAIL SERVICES. THE DEPARTMENT HAS DESIGNED AND CONSTRUCTED A CROSS-PLATFORM TRANSFER STATION AT THE RICHMOND BART STATION TO PROVIDE FOR A DIRECT PEDESTRIAN CONNECTION BETWEEN BART AND AMTRAK. THE STATION ALSO ACCOMMODATES THE LOCAL TRANSIT SYSTEM AND A SMALL INTERCITY CARRIER. FUTURE PLANS CALL FOR GREYHOUND TO ALSO SERVE THE STATION.

FURTHER, IN ANTICIPATION OF NEW RAIL SERVICE IN THIS CORRIDOR SEGMENT, THE DEPARTMENT HAS PROVIDED FUNDING TO AMTRAK TO UPGRADE AND IMPROVE AMTRAK STATIONS IN SACRAMENTO, DAVIS AND SUISUN-FAIRFIELD. THESE IMPROVEMENTS HAVE BEEN COMPLETED; HOWEVER, WE STILL AWAIT THE NEW RAIL SERVICE.

ALSO, THE DEPARTMENT HAS STUDIED THE FEASIBILITY OF REROUTING THE COAST STARLIGHT VIA SACRAMENTO, MARYSVILLE AND CHICO. I HAVE INCLUDED FOR THE COMMITTEE'S REVIEW A DETAILED REPORT ON THIS REROUTING. IF THE COAST STARLIGHT IS REROUTED, ADDITIONAL SERVICE

BETWEEN THE BAY AREA AND SACRAMENTO WOULD BE PROVIDED, AND THERE WOULD BE A GREATLY EXPANDED MARKET FOR THE COAST STARLIGHT. WITH THIS INFORMATION AS BACKGROUND, I WILL NOW RESPOND TO YOUR QUESTIONS.

> 1. "ESTIMATE THE POTENTIAL RIDERSHIP AND ENERGY SAVINGS IN THE SACRAMENTO-SAN FRANCISCO-SAN JOSE CORRIDOR, ASSUMING AN OPTIMUM LEVEL OF UPGRADING AND VARIOUS ENERGY SCENARIOS, AND OTHER BENEFITS FROM IMPROVED SERVICE."

DETAILS REGARDING RIDERSHIP, ENERGY USE AND AIR POLLUTION REDUCTION, AND COMMUNITY DISRUPTION IMPACTS WITH IMPROVED PASSENGER RAIL SYSTEMS ARE COVERED IN THE FINAL SACRAMENTO-STOCKTON-SAN FRANCISCO BAY AREA CORRIDOR STUDY REPORT. THIS REPORT HAS BEEN SUBMITTED AS PART OF MY STATEMENT. THE CORRIDOR STUDY ESTIMATED BETWEEN 20,000 AND 30,000 RIDERS PER DAY WILL USE AN IMPROVED RAIL SYSTEM IN THIS SEGMENT OF THE CORRIDOR. ADDITIONALLY, THE STUDY DOCUMENTS BENEFITS OF IMPROVED RAIL SERVICE ON REDUCED AIR POLLUTION, ENERGY CONSUMPTION AND HIGHWAY CONGESTION.

I WOULD LIKE TO ADD A COMMENT REGARDING MODELS. FOR THE SAN DIEGO-LOS ANGELES CORRIDOR SEGMENT, ACTUAL RIDERSHIP HAS GREATLY EXCEEDED EVEN THE MOST OPTIMISTIC MODEL PROJECTIONS OF THE SOPHISTICATED "STATE-OF-THE ART" MODEL DEVELOPED FOR THIS CORRIDOR.

WE LOOK FORWARD TO RECEIVING THE FEDERAL RAILROAD ADMINISTRATION AND AMTRAK'S REPORT NOW BEING PREPARED WHICH WILL ESTIMATE RIDERSHIP DEMAND AND POTENTIAL ENERGY SAVINGS WITH AN UPGRADED RAIL SYSTEM IN THIS CORRIDOR SEGMENT.

2. "SHOULD A PUBLICLY FUNDED SACRAMENTO-SAN FRANCISCO-SAN JOSE CORRIDOR UPGRADING PROJECT BE UNDERTAKEN IF REVENUES ARE NOT EXPECTED TO COVER OPERATING COSTS? IF SC, WHAT FINANCIAL CONTRIBUTIONS SHOULD STATE AND LOCAL GOVERNMENTS MAKE TOWARDS UPGRADING AND TOWARDS OPERATING COSTS?"

ALL FORMS OF TRANSPORTATION ARE SUBSIDIZED THROUGH VARIOUS METHODS. AIR SERVICE, FOR EXAMPLE, IS PARTIALLY SUBSIDIZED WITH FEDERAL FUNDS WHEREAS THE PRIVATE AUTOMOBILE IS SUBSIDIZED TO A CERTAIN EXTENT THROUGH PROPERTY TAXES. INTERCITY BUS RECEIVES AN "INDIRECT SUBSIDY" BY HAVING FREE ACCESS TO A NATIONAL HIGHWAY NETWORK.

IN 1978, THE SUBSIDY OF THE U.S. AIR TRAFFIC CONTROL SYSTEM WAS $1.8 BILLION ANNUALLY, AND THIS REPRESENTED ONLY A SMALL FRACTION OF PUBLIC SUBSIDIES OF AIRLINES. FORMER TRANSPORTATION SECRETARY WILLIAM COLEMAN ESTIMATED THAT AIR TRAVELERS PAY ONLY ONE-THIRD THE COST OF THEIR TRANSPORTATION. THE SUBSIDY OF U.S. HIGHWAYS BY NON-HIGHWAY REVENUE SOURCES SINCE 1920 TOTALS WELL OVER $150 BILLION. SINCE REVENUE FROM OTHER MODES OF TRANSPORTATION DO NOT COVER ALL COSTS, I SEE NO REASON TO SADDLE RAIL PASSENGER SERVICE WHICH RECEIVES A DIRECT SUBSIDY WITH THE REQUIREMENT THAT THEY COVER ALL COSTS.

EXPANDED RAIL PASSENGER SERVICE WILL RELIEVE CURRENT AND FUTURE CONGESTION ON THE INTERSTATE FREEWAY BETWEEN THE BAY AREA AND SACRAMENTO, THEREBY RELIEVING THE FEDERAL GOVERNMENT FROM THE COSTS OF MAKING CAPACITY-ADDING IMPROVEMENTS TO THAT FREEWAY. I BELIEVE

IT IS LOGICAL TO EXPECT A FEDERAL CONTRIBUTION TO RAIL SERVICE CONSISTENT WITH FEDERAL SUPPORT TO OTHER TRANSPORTATION MODES.

> 3. "ABSENT FEDERAL FUNDING, WHAT ACTIONS WOULD CALIFORNIA INITIATE CONCERNING RAIL PASSENGER SERVICE BETWEEN SACRAMENTO, SAN FRANCISCO AND SAN JOSE? WHAT OTHER MAJOR TRANSPORTATION IMPROVEMENTS ARE PLANNED FOR THIS CORRIDOR, E.G., HIGHWAY IMPROVEMENTS?"

CALTRANS IS NOW, WITHOUT FEDERAL FUNDS, PURSUING AN ACTIVE RAIL PROGRAM FOR THE SACRAMENTO-BAY AREA CORRIDOR SEGMENT. A SACRAMENTO-OAKLAND-SAN JOSE-LOS ANGELES TRAIN IS PRESENTLY BEFORE THE NATIONAL ARBITRATION PANEL. THE DEPARTMENT'S PLANS CALL FOR TWO ADDITIONAL SAN JOSE-SACRAMENTO TRAINS WITH POSSIBLE EXTENSIONS TO RENO, NEVADA. STATION IMPROVEMENTS FUNDED OUT OF CORRIDOR DEMONSTRATIONS THAT THE LEGISLATURE PASSED IN 1976 HAVE BEEN MADE TO DAVIS, SACRAMENTO AND FAIRFIELD-SUISUN. ADDITIONAL IMPROVEMENTS ARE PLANNED.

LEGISLATION PASSED THIS PAST YEAR (SENATE BILL 620-CHAPTER 161, STATUTES OF 1979) PROVIDES $37 MILLION TO IMPROVE INTERCITY AND COMMUTER RAIL SERVICES IN THE STATE. A PORTION OF THESE FUNDS WILL GO TO UPGRADE THE SACRAMENTO-BAY AREA CORRIDOR SEGMENT. OTHER SERVICES TO BE FUNDED OUT OF THIS LEGISLATION INCLUDE EXTENSION OF THE SAN JOAQUIN TO LOS ANGELES, IMPROVED SERVICE BETWEEN LOS ANGELES AND THE BAY AREA, AND EXTENSION OF ONE SAN DIEGAN TO SANTA BARBARA.

THERE ARE NO MAJOR HIGHWAY IMPROVEMENTS CALLED FOR IN THIS CORRIDOR SEGMENT IN THE DEPARTMENT'S FIVE-YEAR PLANNING PROGRAM.

4. "DESCRIBE ANY DISCUSSIONS OR AGREEMENTS BETWEEN THE SOUTHERN PACIFIC AND CALTRANS TO PROVIDE PASSENGER SERVICE BETWEEN SAN FRANCISCO AND SAN JOSE. DESCRIBE ANY INSTITUTIONAL, OPERATIONAL OR OTHER CONSTRAINTS TO INTRODUCING PASSENGER SERVICE FROM SAN FRANCISCO TO SAN JOSE."

RAIL PASSENGER SERVICE BETWEEN SAN JOSE AND SAN FRANCISCO HAS EXISTED FOR MANY YEARS. THE SOUTHERN PACIFIC TRANSPORTATION COMPANY PRESENTLY OPERATES 22 TRAINS PER WEEKDAY EACH DIRECTION BETWEEN THESE TWO CITIES. SOUTHERN PACIFIC FILED WITH THE INTERSTATE COMMERCE COMMISSION TO DISCONTINUE THIS IMPORTANT SERVICE. CALTRANS HAS BEEN NEGOTIATING ON BEHALF OF THE STATE AND LOCAL AGENCIES TO CONTINUE THE SERVICE. THESE NEGOTIATIONS HAVE RESULTED IN AN AGREEMENT IN PRINCIPLE BETWEEN CALTRANS AND SOUTHERN PACIFIC TO OBTAIN AND IMPROVE THIS RAIL COMMUTER SERVICE. I HAVE INCLUDED A COPY OF THIS AGREEMENT IN PRINCIPLE AS PART OF MY STATEMENT. SOUTHERN PACIFIC AND CALTRANS ARE CONTINUING TO WORK OUT THE DETAILS OF A CONTRACT AND HOPE TO REACH AGREEMENT SOON. IN NOVEMBER OF LAST YEAR, WE DELIVERED A COPY OF A DRAFT AGREEMENT TO SOUTHERN PACIFIC AND EXPECT TO RECEIVE SOUTHERN PACIFIC'S RESPONSE BY THE END OF THIS WEEK.

THE CONTRACT, IF EXECUTED, WILL ENSURE THAT THE MUCH-NEEDED RAIL SERVICE ALONG THE SAN FRANCISCO PENINSULA WILL CONTINUE AND BE EXPANDED TO ACCOMMODATE INCREASED RIDERSHIP. TO IMPLEMENT IMPROVED SERVICES, IT IS ANTICIPATED THAT ABOUT $50 MILLION IN FEDERAL CAPITAL FUNDS WILL BE NEEDED IN THE NEXT FIVE YEARS.

5. "DESCRIBE THE PRESENT CONDITION OF THE STATIONS IN THIS CORRIDOR. WHAT ROLE DOES STATE AND LOCAL GOVERNMENT OR BUSINESS CURRENTLY PLAY IN STATION IMPROVEMENT PROJECTS?"

THE CONDITION OF EACH STATION IN THE CORRIDOR SEGMENT HAS BEEN STUDIED IN DETAIL AND RECOMMENDATIONS INCLUDING COSTS FOR REFURBISHING AND UPGRADING HAVE BEEN PREPARED. AS PART OF MY STATEMENT, I HAVE INCLUDED COPIES OF THE DEPARTMENT'S STATION IMPROVEMENT REPORTS. AS I INDICATED EARLIER, FUNDS FROM INTERCITY CORRIDOR LEGISLATION PASSED IN 1976 AND LEGISLATION PASSED LAST YEAR ARE AVAILABLE TO IMPROVE AND UPGRADE STATIONS.

ADDITIONALLY, THE STATE LEGISLATURE HAS CREATED A FUND, APPROPRIATED AT APPROXIMATELY $5 MILLION PER YEAR, SPECIFICALLY FOR THE CONSTRUCTION OF MULTIMODAL TERMINALS. THESE TERMINALS WILL IMPROVE THE EASE OF TRANSFER BETWEEN DIFFERENT MODES OF TRANSPORTATION SUCH AS BUSES, TRAINS AND AUTOMOBILES. THIS PROGRAM REQUIRES A SIGNIFICANT LOCAL CONTRIBUTION TO ENSURE CONSTRUCTION OF THESE FACILITIES. LOCAL BUSINESSES ALSO CONTRIBUTE FUNDS TO THE DEVELOPMENT OF THESE TERMINALS. IN SACRAMENTO THE REDEVELOPMENT AGENCY HAS PLANS TO INCORPORATE A THEATER, RESTAURANTS, AND SHOPS IN A RESTORED AMTRAK DEPOT.

THIS CONCLUDES MY TESTIMONY REGARDING THE TECHNICAL QUESTIONS. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

THANK YOU.

ATTACHMENTS

Mr. Florio. Thank you very much.

Let me just make an observation before asking if Mr. Matsui has any questions. My only concern about the presentation today and yesterday was, I am concerned about the emphasis on the full corridor perhaps detracting from our ability to deal with the two segments that I am convinced are much more easily emphasized in terms of the return on the money.

It is true that you are talking about a 500-mile area that is roughly comparable to the Washington-Boston distance, the difference being a couple of things that are not here, that are in the Northeast corridor, mainly, New York, Philadelphia, Baltimore, the population.

Likewise, your comparison between dollars and time is interesting and significant, but again, the component of the variable of people being moved is also something of some significance. So, what you are talking about particularly for a long-term projected plan is something that is deserving some interest and hopefully action over the long haul. I think the major point—and I think our witness from the FRA has already made it very appropriately—the major emphasis in the relatively short term has got to be to emphasize those corridors that are—particularly San Diego and Los Angeles—vital today as an opportunity for moving people.

I would just hope that we keep everything in perspective, and particularly in these times when we are talking about scarce dollars to get them where they do the most good.

Mr. Rupp. It certainly would not be our intention to give up any of the pieces and holding out for an "all or nothing" type of approach.

Mr. Florio. Mr. Matsui?

Mr. Matsui. I have no questions. I would like to thank Mr. Rupp for attending today.

Mr. Florio. Thank you very much.

Mr. Rupp. Thank you.

Mr. Florio. Our next witness is John Kehoe, executive vice president of Sacramento Metrolpolitan Chamber of Commerce.

Mr. Kehoe, we welcome you to the committee.

STATEMENT OF JOHN T. KEHOE, EXECUTIVE VICE PRESIDENT, SACRAMENTO METROPOLITAN CHAMBER OF COMMERCE

Mr. Kehoe. Thank you. Mr. Chairman, we welcome you to Sacramento. We are proud to have this session here, and we are proud to have our Congressman, Bob, on your subcommittee, working with you in your deliberations in Washington.

I will address you by taking my summary, rather than rereading this whole statement, and indicate that Sacramento is extremely proud of its railroad relationship. After all, we are the founding city of the Southern Pacific. We had a crazy railroad engineer that came out from Connecticut to build a transportation system by the name of Theodore Judah, and he built the Sacramento Northern Railway, and he had a dream that we should be going over the Sierras. He kept going to San Francisco to see if he could get the money, and by golly, they said it could not be done. That is sort of the message we hear today about this corridor.

He did. He put together the money here in Sacramento and the Central Pacific Railroad was founded. Now we know it as the Southern Pacific.

We, in the instance, I guess, of my presentation, represent three interests. I am the executive vice president of the chamber; a member of the board of directors of regional transit, which is an agency, public agency putting together a transportation system for our area, and as a concerned citizen.

I want to commend your subcommittee for its interest in looking at this corridor because our region needs a modal choice. We have many trips a day from Sacramento to San Francisco. San Francisco represents a financial center for Sacramento; it represents a cultural center, and it represents a center for health care needs of our people. Ninety percent, from the chamber of commerce's point of view, of these people, travel by large single passenger car on our great Interstate System.

Now, to attract those people to a bus is one thing, and I know that it is more cost effective these days for a single passenger person to travel by bus. The last time I went to San Francisco, I found two supreme court justices, and a State senator on the bus on the return; which shows that this form of transportation is an acceptable fashion for some of the people.

But we need another choice, and the rail corridor provides that choice for an efficient use of this corridor. Now, how are we going to get the people to use rail transportation? Not as it is today. It takes 3 hours or more to make that trip, and you do have to switch at Richmond. But the scheduling situation is another factor.

But I think the challenge there is the challenge that you look at a time transfer arrangement with BART. BART has a multibillion-dollar capital system and if we had the trains coming down there, I think we could well find a way to get a vehicle which would take the people getting off at Richmond on a time transfer basis into San Francisco.

Now, you have not heard in the testimony presented something that I made reference to, and I would like to submit it for your records. In 1977, the Citizens for Rail California, which were a combined group of interested citizens, engineers, and specialists in the field, published a report which indicated what could be done for rail corridors. If you do not have the report, I think I can get a copy for your staff in Washington.

Mr. Florio. They testified before us yesterday.

Mr. Kehoe. Oh, good. Very good. In that report they addressed this corridor, and they found that if you improve with relatively minor capital improvement the corridor between Sacramento and Martinez, you could begin to reduce the travel time by 20 to 30 minutes on that corridor. I will not reiterate what is stated in there on how this could be done, but they do have reasonable types of servicing, alinement of the track, and installation of automatic train stops which could bring about a reduction of between 20 and 30 minutes in the travel time of that segment. So, from Martinez to Richmond is a relatively small distance, and that could make a measurable reduction and improve the schedule on that corridor.

Now, in addition to that, another factor that I have not heard addressed is the type of equipment. We have heard the comments from the Southern Pacific of the heavy train-type equipment. But I think that those looking at it—Amtrak are going to be the operators—should look at the smaller type of diesel equipment, maybe one or two cars, that could be used on this area until the patronage and usage accelerated to the point where you could look at the heavier equipment.

Another factor in my summary that I have addressed is the requirement that the Federal Government has mandated on our area, to reduce air pollution, emissions. The single passenger car is a great contributor to that. There is a commitment that this area has made in its agreement with the Federal Environmental Protection Agency that in the next 7 years there will be a 30-percent reduction in noxious air emissions in this area. Surely, the addition of rail travel in this corridor can greatly contribute to this achievement.

A third factor I want to bring to your attention is that the Federal Government through the FAA is looking at great improvements at our metropolitan airports. Some of the specialists in regard to these improvements look upon this as a fourth bay area airport. The use of the airport is now attracting passengers traveling out of it from as far west as Fairfield, Martinez, Concorde, and Miranda. If we had a fixed rail system in the corridor that actually served passengers, this could be an efficient and economical complement to any Federal plans that might be perceived with respect to the metropolitan airport becoming a fourth bay area airport. It would be far more cost effective for the Federal dollars to be placed there than to start land acquisition and other factors in the already impacted bay area.

The fourth factor that I would like to bring to your attention is that with respect to station development, the Urban Land Institute has published a study in 1979 in which it more or less "cited" the Federal Government and railroad administrators since World War II for failing to combine land-use planning in the private sector with some of the transportation plans. The President's urban incentives program through HUD and some of the other efforts that you, Members of Congress, are promoting at the present time, should allow for a little innovation.

I think that the private sector with respect to station planning and parking line lots can be brought into the picture from the standpoint of the commercial and residential developments that are emerging, particularly in the Martinez, Fairfield, Davis, and Sacramento areas. You have already heard reference to the multimodal center in Downtown Sacramento, and that is geared to in the downtown area utilizing that type of partnership between government, the private sector, and others in achieving those goals.

On that note I will conclude. That is a summary of my presentation.

[Mr. Kehoe's prepared statement follows:]

TESTIMONY

John T. Kehoe
January 15, 1980

United States House of Representatives
Subcommittee on Transportation and Commerce
of the
Committee on Interstate and Foreign Commerce

Mr. Chairman:

It is certainly an honor and pleasure for me to have this opportunity to testify on behalf of a federally developed rail transportation corridor between Sacramento and San Francisco for passenger usage.

Sacramento and railroading are quite synonymous. In the early formation of this community, shortly after 1849, rails were chosen as the most effective means of transportation. A young engineer from the East came to the valley to design the first railroad which linked Sacramento to Folsom. The line, called the Sacramento Valley Railroad, was not intended to be that short. It was originally planned to run to Marysville, but bills soared over the million-dollar mark and the 22 miles were all that could be afforded. Theodore Judah, called "Crazy Judah" had an additional dream and that was a great railroad over the Sierras linking the nation from coast to coast.

Judah travelled the country in search of the financial support to fulfill this dream. Finally, in 1860, local Sacramento merchants named Colis P. Huntington, Mark Hopkins, Leland Stanford, and Charles Crocker put together the Central Pacific Railroad and began the move to the east. As we all know, at 12:45 p.m. on May 10, 1869, the Judah dream became a reality when the last spike in this transcontinental rail line was driven at Promontory, Utah. The State of California is constructing a great railroad museum in Old Sacramento, just a few blocks from here, as a means of preserving this great historical accomplishment for generations to come.

In addition to my role as Executive Vice President of the Sacramento Metropolitan Chamber of Commerce, I am a member of the Board of the Sacramento Regional Transit District and come from a family which was quite involved in railroading. The Chamber of Commerce ~~of~~ Sacramento, since its inception in 1895, has been most supportive of railroads as a means of moving goods and people. Today, just a few miles from here, we have one of the largest rail marshalling yards for freight west of Chicago. We also have major north-south and east-west trunk rail lines meeting here and these factors make very attractive economic assets for Sacramento. However, in 1980, the transportation corridor between Sacramento and the Bay Area has been largely assumed by automobile traffic, although now with gasoline prices soaring, bus transportation in this corridor is increasing in popularity. Ninety percent of the daily traffic is by single passenger car. These two forms of travel preference over rail are attributable to time of travel. The bus takes one hour and fifty minutes from downtown Sacramento to downtown San Francisco. The single passenger car takes a little longer if one conforms to the 55 m.p.h. speed, and of course, less if there is disregard for such a detail. The rail equivalent is nearly three hours. The 113 miles from Sacramento to the Richmond-BART interchange currently takes two hours at the fastest speed and then approximately fifty more minutes to go by BART to downtown San Francisco, with schedule variances.

To attract the nearly 14,000 persons a day in the corridor out of the car and into a rail mode will require the improvement of the time travelled. The CITIZENS FOR RAIL CALIFORNIA published a detailed report in 1977 which indicated that the time factor could simply be met with relatively minor improvements. The report said that the Sacramento-Oakland corridor has considerable potential. It stated, "Speed is essential in this market and rail is now at a competitive disadvantage, both in running speed and accessibility of stations."

The report indicates that between the city of Martinez and Sacramento the Southern Pacific mainline track is amazingly well separated from encroachments. There are only four curves between Sacramento and the Suisun Marsh, all of them transversible at high speeds. Two of them occur at proposed stops, Davis and Fairfield. In short, the alignment is possible for high speeds. Present speed is only 70 m.p.h. maximum, althought 79 m.p.h. is legally permissible under the Federal Railroad Administration (FRA). Track and ballast are in good condition and automatic block signals are set at reasonable intervals for high speed operation. This report indicates that to raise the speed to 110 m.p.h. would require surfacing and alignment of the track to FRA Class 6 standards and installation of automatic train stops. The report indicated that installation of three new crossovers with centralized traffic control limited to the interchange would aid avoidance of freight train interference. "The consequence of 57 miles (Sacramento to Martinez) of 110 m.p.h. top speed would be at least 20 minutes of schedule improvement."

Thus, for a relatively minor amount of capital improvements the rail advantage of the Sacramento-Bay Area corridor could be enhanced. The mileage is similar to other popular train corridors, such as New York to Philadelphia; Philadelphia to Harrisburg; Chicago to Milwaukee; New Haven to Springfield; and Jackson, Michigan to Detroit. All of these corridors approximate 85 miles in distance and all have multiple passenger trains serving them.

It would be my strong recommendation that the equipment used on this run be short, with perhaps two cars of the self-propelled diesel type. This would reduce capital and operating cost advantages. Three types of such units could start the schedule and be improved as patronage warrants.

In the matter of station locations along the routes, I would urge a high degree of innovation and cooperation with private sector interests along the route. Too often in the post World War II era planners of public transportation have ignored the interest of sub-dividers of residential and commercial properties on what they might perceive to be the best locations for stations. I think the exigencies of our times have created a demand to change this approach. Thus, the potential in this corridor, particularly with station stops at Davis, Fairfield, and Martinez, offer high potential for a federal-private partnership similar to the approaches advocated in the Urban Land Institute 1979 study entitled Joint Development, Making the Real Estate-Transit Connection.

Some might be concerned with the degree of railroad capacity on this line and to those I would merely suggest that the historical World War II capacity figures be addressed which were much higher than any planned use in this corridor today.

In summary, I would like to strongly urge favorable consideration to the adoption of the Sacramento-Bay Area corridor as a high priority for passenger usage for the following reasons:

1. The region needs a modal choice, especially with energy constraints and cost of fuel.

2. The region is adversely affected by a growing pollution of air quality and under Federal EPA mandates, must reduce emissions over the next seven years by over 30% over the current levels. A shift of the users of this corridor to rail travel would make a substantial impact in meeting the challenge of this goal.

3. The pattern of usage of our Metropolitan Airport indicates a large number of patrons coming from the Martinez, Concord, Fairfield area as an alternative to going into the heavily congested San Franciso International Airport area. As our own airport expands along with travel to the Pacific Basin in the decade of the eighties, this rail corridor could offer a real advantage to permitting the Sacramento Airport to become a fourth Bay Area international airport enhancing our local economy and saving expenditures for the Federal Government in creating another international airport for the Bay Area.

4. The proposed Multi-Modal Center for Sacramento would enhance rail patronage building and offer a new incentive to the predictable success of this corridor as the BART connection at Richmond offers an efficient means of moving Sacramento passengers to downtown San Francisco.

Mr. **Florio**. Thank you very much. Mr. Matsui?

Mr. **Matsui**. I have no questions to ask of Mr. Kehoe. I would just like to add that he is really a student of rail transportation, and his comments were well taken and well said. I would like to commend you for the efforts that you have given over the years as executive director of the chamber of commerce toward promoting these activities.

Mr. **Kehoe**. Thank you very much.

Mr. **Florio**. Thank you very much.

Our next and final witness, Mr. Richard H. Rodda, secretary, Modern Transit Society of Sacramento.

STATEMENT OF RICHARD H. RODDA, SECRETARY, MODERN TRANSIT SOCIETY OF SACRAMENTO

Mr. **Rodda**. Thank you, Mr. Chairman.

I am not going to read my statement because unfortunately, being the last witness, a lot of my ammunition has gone. But I just want to read this opening paragraph to let you know what we are all about.

Thank you for giving me the opportunity to speak on behalf of the Modern Transit Society of Sacramento concerning improvement of intercity rail service between Sacramento and the bay area. MTS is an organization dedicated to raising public awareness of alternatives to further highway construction, and has primarily been active in supporting improvements to Sacramento's bus system and construction of a light rail system. We see the intercity component of the public transportation system as being just as important, however, and welcome the interest of Congress in providing some real answers to the current mobility crisis.

Now, just a few little comments. One of the things that struck me is, there seems to be an absence to any reference to the fact that the railroads are common carriers, and that means that they have a duty not only to the shipper, but to the traveling public. You know, that is one of the things that the Southern Pacific, the great western railroad out here, which started out as the Central Pacific, has just lost track of in the last 20 or 30 years.

I have covered a lot of their "train-off" hearings years ago, and I heard the same arguments that were experessed here today. I was very disappointed in the negative attitude of the railroads.

Another point I want to make is that in the East, I think, there is a feeling that out in California we all live in our automobiles. Well, that expressed itself when Amtrak began—Railtex it was called in those days—and they came out with their first map. It did not even have a coast line train. Out here in California and up in Washington and Oregon we were so outraged about it and created so much pressure that they finally put in what now is the Coast Starlight train. You all know, that is the success story of all long distance trains.

So, that shows you that you can make railroad passenger trains work out in California. You know, I was born in Sacramento and I remember when there were 24 daily passenger trains on four routes between here and San Francisco, and Southern Pacific ran 15 of those on two lines, and most of them on that line now that they say is too occupied with all the freight trains. Well, they had freight trains then, too. For the life of me, I cannot see why they cannot add a few more passenger trains.

Another point I want to make is that there is another corridor in this country that has not been mentioned, and it is more comparable to Sacramento-San Francisco than any of the others, and that is the Philadelphia-Harrisburg. Now, Harrisburg, the metropolitan area, has a population of about half a million. We have about 800,000 in this area. Philadelphia runs around close to 5 million, and so does the whole bay area. Also, the State capital is here, and the State capital is in Harrisburg.

But the big different is that Amtrak runs 12 daily trains today between Harrisburg and Philadelphia, a distance of 120 miles, and they make it in about 1¾ hours. It is very good service and is well patronized.

Here Amtrak has not gotten one local train.

One more point I wanted to make is that Mayor Isenberg—he is a good friend of ours—neglected to tell you about one other commitment the city has made and that is to light rail. There is a light rail study now going on for light rail between here and Folsom, and also the possibility of a study on the so-called T-80 bypass that Mr. Matsui is familiar with.

Then, there is a poential third study. All that will bring passengers into the downtown area and into this proposed intermodal center down at the Southern Pacific station, which is part of the whole picture.

One further point that I want to make, and that is, when Amtrak took over in 1971, the State of California, through the public utilities commission, lost jurisdiction over most, virtually all, intercity rail service. I think that is very unfortunate. I think Congress ought to do something about restoring that jurisdiction to the States.

That is all I have to say. Thank you.

[Testimony resumes on p. 259.]

[Mr. Rodda's prepared statement follows:]

STATEMENT OF RICHARD H. RODDA, SECRETARY, MODERN TRANSIT SOCIETY OF SACRAMENTO

Thank you for giving me the opportunity to speak on behalf of the Modern Transit Society of Sacramento concerning improvement of intercity rail service between Sacramento and the Bay Area. M.T.S. is an organization dedicated to raising public awareness of alternatives to further highway construction, and has primarily been active in supporting improvements to Sacramento's bus system and construction of a light rail system. We see the intercity component of the public transportations system as being just as important, however, and welcome the interest of Congress in providing some real answers to the current mobility crisis.

As Californians, we have been the victims of some very destructive myths about our state's transportation habits. We hear from our Eastern friends that we Californians live in our automobiles, that we don't know what a train looks like, or that intercity trains would not work in California because Californians have no interest in using them. These myths seem to be invoked most often when we point out the disparity in transit financing--for instance the Bay Area having to foot the bill for the majority of BART's construction cost while Washington D.C., Atlanta, Baltimore, and even Buffalo are granted massive Federal aid for their systems.

The 400% increase in Los Angeles-San Diego rail ridership since Amtrak took over service is said to have amazed certain Federal transportation bureaucrats. We are pleased, not only because of the massive ridership--over 1.18 million riders in 1979--but because of the destruction that it wreaks upon the myths and icons. California's travel markets are huge, and it is no surprise to Californians that an attractive alternative to jammed freeways is well used. We sincerely hope that now that

Los Angeles-San Diego has become the number two intercity rail corridor in the nation, outranked by only the Boston-Washington route, that you will review the policies which have given the Northeast 99% of the intercity rail public works budget.

The Sacramento-Oakland-San Jose corridor offers a similar potential to Los Angeles-San Diego for remarkable growth in rail ridership. The traffic on Interstate 80 rivals that of I-5 in the southern corridor, and we would not be at all surprised if a six-train-daily schedule turned this corridor into the number three intercity rail corridor of the nation, outranked by only Boston-Washington and Los Angeles-San Diego. There are reasons beyond the population and booming growth of the region that lead us to this outlook. There are some 6 million persons living in the region, but other aspects of the development here seem even more positive indicators of good ridership potential:

---There is a very high propensity to travel; per capita trips are at the very top of the scale.

---Interstate 80, which parallels the railway between Sacramento and the Bay Area is very much the main street of the region; most travel is therefore along, rather than across, the corridor.

---The economic ties between Sacramento and the Bay Area are very tight. Much more so than in Southern California, residents tend to travel to the largest city for shopping, weekends, and cultural or sports events. Similarly, there is a flood of Bay Area travelers on weekdays who have business in the Capital.

---The intermediate cities of Davis, Suisun-Fairfield, and Vacaville are growing rapidly as bedroom communities and there is a substantial commute traffic clogging Interstate 80.

---The central cores of these cities, as well as Sacramento, Berkeley, and Oakland are undergoing vigorous growth and have more active pedestrian zones than are seen in Southern California. Davis, for example, is known for being the bicycle capital of the U.S.

The Sacramento-Bay Area corridor can be likened to the Harrisburg-Philadelphia corridor in its population distribution and demographics. Sacramento, with an area population of over 800,000, is the State Capital. So is Harrisburg, which has nearly 500,000 residents. Philadelphia, with 4.8 million residents, is holding steady in population. The San Francisco Bay Area, with 4.5 million residents, is growing rapidly. The distances between the centers are similar; 90 miles between Sacramento and San Francisco, 103 miles between Harrisburg and Philadelphia. Each megalopolis has an extensive rapid transit system and excellent highways are available to motorists of both states.

One difference stands out. Amtrak offers 12 daily local trains between Harrisburg and Philadelphia, none between Sacramento and the Bay Area. Philadelphia -Harrisburg has hourly service mornings and evenings, as well as several midday and night trains. Over a million passengers a year ride the electric-powered "Silverliner" trains. A similar case in point is the 140 mile line between New York City and the State Capital in Albany, with 8 daily trains

Sacramento once had such service. Back in 1930, when the metropolitan population was only 125,000, there were 24 daily passenger trains on four routes between Sacramento and the Bay Area. This is not to say that such a number of trains would be justified today, but it does provide adequate evidence of the capability of existing tracks for handling additional passenger trains.

Except for the Sacramento Northern interurban electric route, the same tracks exist that accomodated so many trains a half century ago.

Intermodal connections

Sacramento has an optimum potential site for providing intermodal connections. The Amtrak station, once an S.P. terminal accomodating 60 daily trains is now used by only the *San Francisco Zephyr*. Community leaders propose that this large facility be made an intermodal center to be used by Greyhound, Trailways, airport limousines, Regional Transit, and taxis as well as Amtrak. Southern Pacific, owner of the site, is a willing seller, but is asking $8.5 million compared to the city's $3.7 million offer.

Such a center would further boost the resurgence of Sacramento's downtown area. The immediate vicinity of the station contains the Old Sacramento historical development, the California State Railway Museum currently under construction, a new 15-story hotel, two major department stores, a third major store under construction, and the Downtown Plaza shopping mall.

The Sacramento Metropolitan Chamber of Commerce, Downtown Plaza Properties, Inc., the City Council, Regional Transit, and other important community agencies are supporting the intermodal terminal proposal. The terminal is seen as a focal point aiding the use of public transportation in the region. Even those who arrive at the terminal by automobile, however, will find hundreds of available city parking spaces within easy walking distance.

Other actions in support of corridor service.

The City and County of Sacramento have made significant policy commitments to public transportation, and are participating with Regional

Transit in a feasibility study of light rail service in a corridor linking the intermodal terminal, downtown stores, the State Capitol and offices, California State University, and eastern suburbs. The City Council recently voted to reject use of public funds for a freeway in the northern suburbs and has launched a study of alternative uses for the $65 million of funds previously slated for freeway construction.

The California State Legislature has repeatedly shown its commitment to improving the State's system of passenger train service, by legislation in the 1975, 1976, 1977, and 1979 sessions. Senate Bill 1879, enacted in 1976 appropriated 1.95 million specificly for Sacramento-Bay Area state-supported Amtrak service. The State also made possible the construction of the Richmond Intermodal Center in 1977, providing a direct transfer from Amtrak to BART trains serving the East Bay and San Francisco.

In March 1977, the California Department of Transportation initiated discussions with Amtrak to provide three daily Amtrak trains linking Sacramento, Oakland, and San Jose, offering an hour and a half schedule to Oakland and a direct bus shuttle to San Francisco. Southern Pacific refused to operate the three Sacramento-San Jose round trips, then agreed to add one Sacramento-Oakland train only, on a demonstration basis, providing the State accept a two-hour schedule to Oakland, drop its requests for additional trains, agree to drop even the one train following the demonstration, and pay for all station and track improvements which S.P. deemed desireable.

Upon the realization that the unmarketably slow schedule and the insufficient frequency of the single corridor train constituted an S.P. booby-trap, the State responded by altering its request to extend the train through from Sacramento and Oakland to Los Angeles on a schedule calculated to augment the already overcrowded Coast Starlight train. The S.P. adamantly refused through the remainder of 1977 to implement the requested service.

The matter was finally submitted to the National Arbitration Panel in March 1978 for settlement by binding arbitration. It has languished there, ever since. A favorable decision is hoped for, sometime later in 1980.

The arbitration process is cumbersome, expensive, and wastes precious time in the midst of our gathering energy crisis. It has been resorted to only because the State and Amtrak presently have no power to compell the railroads to operate intercity passenger trains. This power was accidentally removed by the Rail Passenger Service Act of 1970, in an effort to avoid state regulation of Amtrak trains. It can easily be restored by Congress.

We look forward to Congressional action to upgrade corridors for increased and improved passenger train service, especially actions which will have a concrete and positive effect in the short term. It has become very threateningly clear that the progress of events in the Middle East will not slow down while we search for energy and transportation alternatives. We ask, therefore, that you devote as much effort to providing additional 70mph trains in the next two years as you do in providing technical studies for 120mph trains somewhere in the clouded future.

If you are able to accomplish the first task for the public, the second task will then be likely to result in better train service, rather than just more paper, produced at Federal expense, to fill shelves and filing cabinets.

Mr. **Florio**. Thank you very much. Mr. Matsui?

Mr. **Matsui**. Mr. Rodda, I just want to thank you for raising one issue, and I might just add that you were a Capitol correspondent with the Sacramento newspaper for a number of years. So, you would be certainly familiar with the subject you have brought up, in addition to the whole issue of rail transportation.

I appreciate that you brought up the fact that years ago we were covering some of these kinds of matters. The conflict between freight and passenger service at that time was being raised, and is raised now. It indicates to me that there is a traditional complaint that usually goes away once decisions are made.

I appreciate very much your raising that for the record.

Mr. **Rodda**. Thank you. Just in conclusion I would like to say, this is the first time for me. For over 20 years I used to sit over there at the press table all over this town, and this is the first time I have ever been a witness at any public hearing. I want to tell you, I am just a lot more nervous than I ever was sitting over there where Chuck Demster is, my fellow colleague at the beat.

Mr. **Florio**. Thank you very much, we appreciate your testimony.

I would like to for the record to acknowledge the fact that J. P. Jones, the California State Legislative Board assistant director of the United Transportation Union (UTU), was in attendance today. Mr. Jones is authorized to represent the UTU and is in support of the development of this particular railroad corridor.

That concludes the hearing. I would like to thank all of the attendants, particularly all the witnesses, for very good testimony this morning.

Once again, I publicly acknowledge the support, cooperation and help of my friend, Bob Matsui, for arranging this, as well as to acknowledge his role in the operation of our subcommittee.

The subcommittee stands adjourned.

[Whereupon at 12 m. the subcommittee adjourned, to reconvene subject to the call of the Chair.]

RAILROAD CORRIDOR

THURSDAY, FEBRUARY 14, 1980

House of Representatives,
Subcommittee on Transportation and Commerce,
Committee on Interstate and Foreign Commerce,
Atlantic City, N.J.

The subcommittee met at 9:30 a.m., pursuant to notice, in the Commission Chambers, City Hall, Atlantic City, N.J., Hon. James J. Florio (chairman) presiding.

Mr. Florio. The subcommittee will come to order.

We are pleased to be here at the request of my colleague, Congressman Hughes, to come to Atlantic City to hold hearings of our subcommittee for disussion on the question of intercity rail passenger service between Atlantic City and the city of Philadelphia.

Rapid economic growth in this area requires that we examine this concept. Public officials and private-sector investors are concerned that the existing transportation network will not adequately support the projected influx of employees for casinos, tourists, and other interested individuals coming to this area.

Of the approximately 170,000 people who arrived in Atlantic City on an average day last summer, 99 percent arrived by highway. There is no direct way to get from Philadelphia to Atlantic City by train. We cannot afford to sit back and wait to see if the existing transportation system and the region's fuel supply can, in fact, support Atlantic City's projected growth.

I know Mr. Hughes is convinced that one of the keys to the Atlantic City transportation problem is improved rail passenger service. The track and the support facilities are in place and the direct rail service from Atlantic City to Philadelphia could serve Atlantic City's tourist traffic and the Philadelphia commuter traffic as well.

My subcommittee has requested that Amtrak and DOT evaluate the potential for the Atlantic City-Philadelphia corridor to serve as a feeder route to the Northeast corridor. I am hopeful that by linking this route to the Northeast corridor we can attract substantial ridership, alleviate traffic congestion on our highways and produce significant energy savings.

As many of you know, the Northeast corridor legislation is pending before the Congress. In the interest of converting that issue from a regionally oriented issue to a nationally significant issue, we are developing a proposal that has been referred to as the emerging corridor proposal. This proposal would permit the U.S. Department of Transportation to develop those intercity rail passenger corridors around the country that should be developed in order to produce substantial energy savings.

I am convinced that this corridor falls into the category of one of those corridors that will be dealt with in the emerging corridor proposal.

I am pleased to be here. I certainly am looking forward to the very impressive list of witnesses we have.

I would like to ask Mr. Hughes if he has comments at this point.

STATEMENT OF HON. WILLIAM J. HUGHES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. HUGHES. Thank you and good morning.

First, Mr. Chairman, it is an honor to join with you and your subcommittee staff at this hearing today to examine one of our most pressing problems in south Jersey—the need for an improved rail passenger system to serve our region.

I strongly believe that the economic future of south Jersey depends largely on the establishment of modern rail service in our area. Rising energy costs, coupled with the tremendous increase in population and visitors to our region, have made our previously poor transportation network a potential disaster.

I feel the ultimate solution to this problem rests with the railroads. They are energy efficient and can serve our transportation needs without the traffic congestion and pollution of automobiles.

We have an ideal opportunity now to set in motion the feasibility studies and other efforts which are needed to justify a commitment to improved rail service. If we let this opportunity pass, I'm afraid we will simply lock ourselves into the same transportation infrastructure which has created all of our present problems.

Improving our rail system in south Jersey has always been one of my top priorities in Congress. During the past few years I have worked with other members of the New Jersey delegation to include operating subsidies for many of our rail lines in the Conrail appropriations bill. In addition, I have waged a vigorous campaign to retain service along the Pennsylvania-Reading Seashore Line, which is the only rail commuter spur serving Atlantic City and other shore points.

Now I think it is time for us to elevate these efforts to a higher level. We must begin to focus not only on maintaining our existing rail service but also on upgrading the tracks and equipment and improving the overall rail system in south Jersey.

Based on the studies that I have seen so far, I believe that with the proper improvements the Pennsylvania-Reading Seashore Line could be expanded to serve at least 12,000 commuters and 5,000 visitors a day within the next 10 years. Together with improvements along other rail links, such as the Wildwood spur and by developing feeder lines into Vineland and Toms River, I think the potential for new ridership in south Jersey is endless.

It is my belief that this can best be accomplished by ultimately incorporating the Pennsylvania-Reading Seashore Line into one of Amtrak's Northeast corridor routes. I realize this is a major undertaking and it is not likely to happen overnight; nonetheless, I feel the concept offers so much potential that Amtrak should at least begin an immediate study of the feasibility of acquiring and upgrading the Pennsylvania-Reading Seashore Line.

I hope this hearing will get us started in that direction.

Mr. Chairman, again I want to comment that you have led the fight in the Congress and I want to congratulate you. We are very proud of your record on behalf of the rail system throughout the country, not just in this region. I look forward to working with you in the years ahead in upgrading our rail system throughout the country. I know that you have the same basic philosophy as I do and realize that that happens to be a key to the salvation of transportation and of many of our needs in this great Nation of ours.

I look forward to hearing from all the distinguished witnesses and look forward to working with you in the coming months. Thank you very much.

Mr. **Florio**. Thank you very much.

As our first witness, we welcome and greet the mayor of Atlantic City, the Honorable Joseph Lazarow.

STATEMENT OF HON. JOSEPH LAZAROW, MAYOR OF ATLANTIC CITY

Mr. **Lazarow**. Thank you very much, Congressmen Florio and Hughes.

I want to thank you on behalf of the people of this area for bringing this meeting to Atlantic City and, in turn, we have brought you some nice Atlantic City weather.

I have before me a picture of a train that made the trip from Camden to Atlantic City in 47 minutes. That was in 1897. So, we will not be asking too much of modern technology today, in 1980, to perhaps repeat that feat and have another train that can make it in 47 minutes.

The upgrading of the Philadelphia-Atlantic City fast-rail service would greatly benefit the people of south Jersey, in that it would provide clean, fast, and convenient transportation for millions of visitors to shore resorts. Such transportation is energy efficient and would decrease our dependence on foreign oil. It would help alleviate a growing parking problem and would serve to prevent very serious air pollution in this area.

The former Pennsylvania-Reading Seashore Line (PRSL) is currently underutilized, operating a mere three round-trips a day from Lindenwold to Atlantic City, with no service on weekends and holidays. The service is presently commuter oriented, with trains operating in the Lindenwold direction in the early part of the day and Atlantic City bound in the early evening hours.

We know that there are companies with elaborate long-range plans for upgrading this line; and, of course, you will hear today from people representing these companies about how close we are to fruition of these plans.

While it is desirable to electrify the line in the future, there are several short-term improvements that can be made in the next 18 months or so. New rolling stock can be leased or purchased. The Budd Co. of Philadelphia is presently turning out a new self-propelled rail diesel car which is fast, comfortable, and good looking—the new Budd SPV-2000 cars.

After new rolling stock is obtained, there should be at least hourly service to the Patco High Speed Line for the trip into downtown Philadelphia. Track improvements should be made to the present line to Lindenwold and also to the additional line, presently existing but in poor condition, which permit operation directly to Philadelphia's 30th Street Station.

Temporary improvements should also be made to Atlantic City's present rail terminal until such time as our new transportation center is built.

Parking for autos could be offered adjacent to train boarding stations in the Philadelphia-Camden areas as part of the train ticket.

Moneys coming in to the Federal Government through the windfall profits tax should be made available for public transportation in south Jersey, just as are being provided for north Jersey-New York public transportation. The great potential for economic growth in south Jersey warrants such expenditures.

Thank you for the opportunity to present this statement and for coming to Atlantic City today.

Mr. FLORIO. Thank you very much, Mr. Mayor.

We are going to deviate from the schedule to accommodate one of the city officials who has a meeting to attend. We are going to ask for a brief presentation from Commissioner Edward Roth, Public Safety Commissioner of the city of Atlantic City.

STATEMENT OF HON. EDWARD ROTH, COMMISSIONER OF PUBLIC SAFETY, ATLANTIC CITY, N.J., ACCOMPANIED BY WILLIAM N. BODOUVA, ARCHITECT; JAMES H. HERENDEEN, JR., PROJECT MANAGER—TRANSPORTATION PLANNING; ROBERT J. KIETZ, CHIEF, MASS TRANSIT; AND DOORTJE M. SCHIPPER, ON BEHALF OF THE ATLANTIC CITY PUBLIC SAFETY COMMISSION

Mr. ROTH. Thank you very much. I will echo the mayor's comments as far as your having a meeting here. I know I have limited time. I will not be redundant, just to explain that I am concerned as to what will happen if gas rationing happens.

Rather than dwell on things that will be covered by other people, I would like to introduce the architect and announce the completion of the feasibilities studies which were funded by UMTA last night, concerning two things, the downtown people-mover and transportation to Atlantic City.

We are talking about a rail line from Philadelphia to Atlantic City. I visualize a train from Boston to Richmond, Richmond to Washington and back to Boston.

May I introduce the architects to you? Bill?

Mr. FLORIO. For the record, could we have the full name of these gentlemen?

Mr. ROTH. William N. Bodouva of Leibowiqz/Bodouva Associates; James H. Herendeen, Jr., project manager-transportation planning; and Robert J. Kietz, chief, mass transit, Gannett, Fleming, Corddry & Carpenter, Inc; and Doortje M. Schipper of Tarquini Liszewski Plus.

This was introduced last night. What you see on the wall is a schematic design. I would like to turn it over to Mr. Bodouva.

STATEMENT OF WILLIAM N. BODOUVA

Mr. Bodouva. I would invite you to look at the model. It most clearly describes what we have tried to perceive as to transportation.

On the wall, the schematic designs are also left for your perusal. This is a transportation center which is multimodal; it includes train terminals, bus terminals and downtown people-movers; it also has included some joint development above that.

In specific detail, we have a bus terminal here which handles two aspects of bus operations for the city of Atlantic City, one of which is the intercity operation. We have a total of over 100 bus stalls for this operation, and we have an intracity operation that would accommodate up to 18 buses additionally.

This would have a rail operation that would provide for four tracks, two platforms, two tracks and a center island platform for the intercity connection, and two tracks and one platform for local commuter or regional operation.

In addition to that, we have a major station for the downtown people-mover system, and we also have a through route for the downtown people-mover system that would pass through this terminal, but not necessarily stop in it.

In addition to that, we have provided for a hotel complex in this model so that you will understand what the other elements are, and an office structure that would be used either as a commercial venture or perhaps to house the transportation authorities that would be established for the city of Atlantic City.

Basically, that is it.

The one other aspect I would like to touch on is, in addition to this being a major transportation center for the city of Atlantic City, functionally we have also addressed the need and desire expressed to us by the community that this go beyond the transportation center and also become a gateway to the city. We have endeavored to achieve also that purpose.

I hope that these models will help describe that aspect of it also. That is all I have to say. We will leave the model here for the rest of the day, and I will be available for any other questions.

Mr. Florio. We appreciate that. At the conclusion of the hearing, I am sure Mr. Hughes and I would like to come down and look at it and have you explain it.

Mr. Bodouva. Thank you very much.

Mr. Florio. Our first panel is comprised of a number of public officials who we are very pleased at this time to have with us. I would like all the following officials to come forward and take a seat. We will hear from them in order, and then subject them to our questions. The Honorable Charles Worthington, Atlantic County executive; the Honorable William Gormley, assemblyman; the Honorable Michael Matthews, assemblyman; and Mr. Herbert Simmens, county administrator.

Gentlemen, throughout the course of the day all the witnesses' written statements that are submitted will be entered into the record in their entirety and the witnesses may proceed as they see fit in a summary fashion.

As our next witness, we are pleased to have my former colleague in the State legislature, the Honorable Charles Worthington.

STATEMENTS OF HON. CHARLES WORTHINGTON, ATLANTIC COUNTY EXECUTIVE; HON. MICHAEL MATTHEWS, ASSEMBLYMAN, ATLANTIC COUNTY; AND HERBERT SIMMENS, ATLANTIC COUNTY ADMINISTRATOR

Mr. WORTHINGTON. Mr. Florio, it is very good to see you, and Congressman Hughes here, two very strong Representatives in Congress who work together for the good of the people of south Jersey. I am very happy you have had an opportunity to hold Subcommittee on Transportation and Commerce hearings here in Atlantic City.

We thank you for the opportunity to give some testimony.

I have one message, and that is, that Senator Persky will not be able to be here and testify. He is ill today. He asked if I would convey that message.

Congressman, rail service to Atlantic City is not only desirable, it is absolutely essential; otherwise, we are going to see that there is going to be a strangulation of the transportation modes to this city.

The county has already done some work on this in 1976. The county has done a study on the rail corridor. Our master plan, which will be unveiled next month, takes some special pains to show locations of train stations in the county that we would like to see.

This summer, the feasibility study should be completed.

Let me give you some of the historical benefits that have already accrued to the development of that corridor to this area.

Atlantic City and the internal geography of Atlantic County were formed in direct response to the efficiency of that rail corridor from Camden to Philadelphia. In 1898 the famous Boardwalk Flyer made the trip between Atlantic City and Camden in 44 minutes, at an average speed of 75.4 miles per hour. Of the 16 fastest trains in the world in 1926, 13 were in the Atlantic City service. So we used to have tremendous rail service from Camden and Philadelphia to the shore.

The major benefit today would be in assuring the accessibility of casino gambling and associated development to the large market in the entire Northeast corridor. It is projected that 26 casinos will open during the next decade, with the majority occurring in the first few years of the 1980's.

Transportation remains one of the most critical constraints on the ability of this industry to fulfill its potential.

An indicator of the impact of casino gambling upon transportation demand is provided if we take a look at the recent history of the utilization of the Atlantic City expressway. Between 1977 and 1979, traffic on the expressway increased nearly 57 percent as a result of the partial operation of only two casinos. Bally opened in December 1979. At the Pleasantville Toll Plaza, the one nearest to Atlantic City, the increase has been the most marked, with an approximate doubling of volume in this 2-year period.

It is important to realize how dynamic this growth has been. For example, the traffic growth for the same toll plaza for the 6-year period, 1971 to 1977, was only an average of 1.4 percent per year. In contract with other toll facilities in the region, the growth is even more remarkable. In 1979 traffic on the Delaware Memorial Bridge decreased by 6.1 percent. There was a decrease of 3.1 percent on the Socony-Palymra Bridge, and there was an increase of only 0.4 of a percent on the New Jersey Turnpike, an increase of only 2.5 percent on the Garden State Parkway.

Most of this was in the growing southern toll plaza.

The traffic figures on the Expressway also illustrate that the greatest proportional increase has been in the winter months, illustrating that Atlantic City now enjoys a 12-month tourist season; this, mind you, with only two casinos open.

It has been estimated by Gannett Fleming, et al., that 38 eight-car trains are required to satisfy projected rail demands of 21,014 inbound trips for an average August weekday in 1990. This would still only serve about 7.5 percent of the total inbound trips estimated at 178,894 for an average August weekday in the year 1990.

Therefore, any increase in transit ridership over the existing 92 eight modal split would help this area's at present very limited highway capacity to handle this traffic. It would save energy and reduce environmental impact on automobile visitation.

There is a tremendous amount of additional advantage to opening up that rail corridor. We think that we could also use that rail corridor to serve local commuting trips with stops in Hammonton, Egg Harbor, Garden State Parkway Station. This would also be an inducement to increase the commuter ridership to and from Philadelphia.

The planning for the connection with the Transportation Center and the DPM system in Atlantic City is already underway, as evidenced by the presentation that was just made.

We are looking also for the connection with the rail link from Philadelphia International Airport to Atlantic City by way of the 30th Street Station. That proposal has already been made by the Delaware River Port Authority Planning Group.

We look forward also to "Park and Ride" or "Kiss and Ride" facilities in our local communities of Hammonton, Egg Harbor and the Garden States Parkway, in addition to local bus feeder connections.

I am going to leave some of our material that we want to express on the part of county government to Herb Simmens. He will talk about some of the local government interlocal agreements on centers and what financial contribution we might expect from state and local governments.

I want to thank you for the opportunity to come and share some thoughts with you.

Mr. FLORIO. Thank you very much.

Assemblyman Matthews?

STATEMENT OF HON. MICHAEL MATTHEWS

Mr. MATTHEWS. Good morning. I will give some general remarks.

I want to congratulate you for the hearing, plus starting on time, which is very unique, I know, on the State level.

Mr. FLORIO. It is not unique to this subcommittee.

Mr. MATTHEWS. I try to start them on time, but no one else is there.

Since 1976, before casino gambling was approved, as Chuck brought out, the traffic on the Atlantic City Expressway has doubled. The time to travel throughout Atlantic City has been tripled.

The parking in many areas has been a nightmare. That is the result of three casinos, plus construction crews working on other casinos. I am concerned with what the result might be for the citizens' work force and visitors coming to Atlantic City if we don't act now.

On a recent day there were 80 chartered buses going to one casino. The city streets were never designed to handle this type of traffic. Parking in many areas of the city is plainly inadequate. If we expect businesses other than casinos to remain in Atlantic City, they will have to be accessible.

Across the country, people are turning back to public transportation because of the dramatic increase in the price of gasoline. In many respects we are in a very enviable position. We have the opportunity to design and implement the most modern, up-to-date mass transportation system in the world. We know the need is already here and growing each day we delay. Our mandate is to act now.

At least one private firm has been formulating plans for a transportation system. If private industry can provide a fast, clean, and economical system, they may be the answer to our problem, at no cost to the taxpayer. We must, however, be certain that whoever designs the system shows concern for the commuter who works in Atlantic City, as well as the out-of-town vacationer.

Our regional transportation authority must be formed immediately, with representation from Atlantic City, Atlantic County and places near the corridor that will be utilized by the system.

Senator Persky and myself are working on legislation to form such an authority which would be comprised of Atlantic City and Atlantic County personnel. The authority would have to work closely with the State Department of Transportation, the Department of Environmental Protection and, of course, the Pinelands Commission, with which you two are very familiar, as that could be a big problem.

At the current rate of growth, we are out of time now. We must move forward as rapidly as possible to provide our citizens and visitors with the rail transportation system they need and deserve. I feel on a state level that they don't have the monies. Even with the transportation bonding that was just passed, that money has been marked and the Federal Government is going to match 3-to-1, I don't think we will have the time in the State to do it as efficiently as private enterprise would do it.

I really feel that if we can stop the States' involvement we will have something soon.

Thank you very much.

Mr. Florio. Mr. Simmens?

STATEMENT OF HERBERT SIMMENS

Mr. Simmens. Thank you.

In discussing our testimony with Chuck Worthington, we decided Chuck would speak about the benefits and I would figure out how to finance the program.

I have a few ideas, I think, that the committee should consider: First, having just completed going over the county budget with the Board of Freeholders yesterday afternoon, I can assure you that given the demands placed upon county government by the New Jersey legislature, it is unrealistic and undesirable to expect any kind of substantial operating subsidy from local or county government in the area. We have barely the resources to meet our own mandated requirements right now.

However, I think there are some sources of funding, and there are some incentives, that should be looked at very carefully.

I think that the Atlantic City corridor that we are talking about is unique; it could well be the only corridor in the country that has the capacity to be in the black rather than in the red.

One alternative mentioned is utilizing private enterprise and private capital. There are a number of other alternatives. One of the things that we are seeing—is that there is an enormous opportunity for what is known as value capture, and that is to design transportation stations which have located adjacent to them, on top of them, or around them, other commercial and revenue-generating activities.

I think in the design and the location of stations along this corridor, if the planning is broad enough to contain contiguous areas, that the revenues which can be produced from enterprises in those areas could go a long way toward defraying some of the capital cost of construction and possibly even some of the operating costs. That is one alternative that should be looked at.

A second alternative that we are looking at closely in the county, along with other agencies in this area, is to pool the various revenues which will be received by government entities in this area, due to parking and other transportation activities and to pool them into some kind of common fund, which would be recycled as operating or capital subsidies for rail, for light rail, for bus routes and so forth.

We at the county level are looking at rail as a necessity, but we are looking at it in close conjunction with other forms of transportation.

One of the major conclusions that all the planning studies have shown is that no one mode of transportation—highway, rail, light rail or bus, or even walking—can meet anywhere near the entire demand for transportation for this corridor.

I think that the present State subsidy which is small in dollars but large on a sort of per capita, per rider basis, can probably be used in a slightly more creative way to generate higher fare-paying kinds of activities. For example, weekend service may well be much more lucrative than the commuter service that presently exists.

If we take a good, hard look at how that money can be best spent to subsidize service, we may be able to find that we can expand service in the immediate short run, as well as in the long run. But I don't think, as I mentioned, that you can count upon local governments through taxes to provide any kind of subsidy.

One alternative may well be to have local governments participate in contributing land, if they own land along some of the corridors. Some of our discoveries have shown that there is some local government ownership of land along the rail corridors and a joint venture between local government, other levels of government, and private enterprise can lead to additional revenues to the community, as well as additional revenues from this rail line.

If we approach the financing and operation of this line a little differently than the normal Amtrak service in other parts of the country, we may be able to self-sustain such a line and get it underway in a lot shorter time than normally takes place.

Thank you very much.

Mr. FLORIO. Congressman Hughes?

Mr. HUGHES. Thank you, Mr. Chairman.

First, I want to congratulate the panel on some very good helpful testimony. I think you have made a major contribution to our overall effort to assess the potential for this line.

I think the only thing that I might want to know more about is the basis for your projections, Mr. County Executive. You indicated the potential ridership in the years ahead. Obviously, that is based upon some study. I wonder if you can tell the subcommittee a little more about that particular study, how that data was arrived at?

Mr. WORTHINGTON. Yes. This is data that came from the transportation engineering firm of Gannett Fleming, who made the presentation you just saw here as part of their study for Atlantic City in terms of looking at the DPM program.

One of the things that really bothers me as I take a look at it, as somebody who would like to use rail on occasion, we have the Northeast corridor there, running from Washington to Boston, that runs through the city of Philadelphia. It has tremendous ridership. There is no way to connect.

If you want to take a trip, Congressman, from Washington to Atlantic City, you would have to get off at 30th Street Station and catch a subway surface car or get a subway and then transfer to a high-speed line, get off the high-speed line and transfer again to a heavy rail car that would make the connection into Atlantic City.

If you are fortunate enough to catch one of the four cars a day that run, it would let you off in a place that is almost inaccessible. There would be no taxicab waiting to take you wherever you wanted to go. These are some of the problems, I think, that beset that particular corridor. There are some monumental problems, as I understand, in connecting this rail corridor directly with the north-south flow on the Northeast corridor of Amtrak.

Mr. HUGHES. When you say that the terminus is inaccessible, you are talking about the best kept secret we have in south Jersey.

Mr. WORTHINGTON. You can hardly get there from here.

Mr. HUGHES. I defy anybody to find it the first time around and get to it; it is that bad.

Mr. WORTHINGTON. If you do find it, the second time you might not want to use it.

Mr. HUGHES. I might also add, it is very difficult to find train schedules. I know the commuters club in the area has been doing a good job in promoting a schedule. I know that on many instances people have tried to get schedules for the Penn Reading Seashore Line from Linenwold to Atlantic City and Philadelphia at the Amtrak station without success. We have not done a very good job of either promoting the line or actually attempting to upgrade it.

Mr. WORTHINGTON. Maybe Gannett Fleming would be happy to include as testimony part of the research that they have done. We could also, if you would like, present from our county planning division documents and testimony supporting these figures and similar figures.

Mr. **Hughes**. Mr. Chairman, I would hope that perhaps the subcommittee could receive that. I think that would be helpful. That would give the data base on which the testimony has been given this morning.

Mr. **Florio**. We will be pleased to receive any information for the review of the staff.

Mr. **Hughes**. Again, I want to congratulate you, Mr. County Executive, for your leadership in this area, and Mike, for offering the legislation which we will indeed look at respecting the possibility of a commission or authority of some type, some type of mechanism to try to study and implement transportation and other needs countywide. I think that is a step in the right direction.

I might also mention that Freeholder Joseph Messick, who is not with us today, has also been one of the leaders in this area, very, very interested in light rail transportation in particular, and he has done a good job for the county.

Thank you, Mr. Chairman.

Mr. **Florio**. I would like to make one or two points, particularly related to the example that you gave concerning the absence of any current, direct service between Atlantic City and Philadelphia.

You have highlighted what I perceive to be the basic problem. Certainly money is always a problem, but I think that is getting to be less and less a problem because there is a greater appreciation of the need for this facility. I know there is a greater appreciation in the Congress for the need to expend revenues in a very cost efficient way toward more energy efficient transportation systems, and this certainly has the potential.

I think our next witness will address that question. But I see some institutional problems, the major one being the coordination that is necessary, intergovernmental coordination, and coordination between the public and the private sector.

You describe the problem as being a monumental problem, of trying to do the coordination necessary to provide for direct service. My understanding—and I think we will have some testimony from other witnesses—is that there are existing rights-of-way that could be pieced together. The difficulty is that they are under the control of different entities—the State, DVPA, Conrail, Amtrak—and that coordination efforts are going to be something that are very difficult, but not insurmountable.

I don't know that I would describe it as something we are not able to overcome.

In line with that, I would like to ask one specific question about something that I have heard that, again, illustrates the absence of coordination. It is my understanding that some of the transportation agencies, for example, the Atlantic City Expressway, Garden State Parkway, are either giving consideration to, or are in the process already of, undertaking plans for rather extensive parking garage facilities. These plans may be regarded as antithetical to the movement away from reliance upon the automobile as a means of coming to and from the city.

I think we are all sophisticated enough to know that if one goes and builds a large facility, there then is growing pressure to utilize the facility. What, if any, input do you have into any of these types of decisions that are in the process, I understand, of being formulated?

Mr. **Worthington**. Congressman, we serve on probably three or four different transportation committees. We are well aware of many of these plans. The problem is, it seems to many of us, that upgrading of the rail corridor is a long-term solution; it is going to take quite a bit of time. However, with the opening of three casinos now, with the possibility of another two or four opening this year, we have, as you can see by the statistics I quoted, in terms of automobile traffic on the Atlantic City Expressway, we have a very, very serious problem.

We are going to choke, we are going to smother, we are going to cut off accessibility to Atlantic City if we don't do something immediately to take care of the only mode almost that people have, that is, the private automobile. If we don't make some effort today to take care of just what is going to happen this summer, it can be utter chaos if we don't provide some intercept parking facilities to keep many of those automobiles out of the city.

Mr. **Florio**. What is the projected time frame for the implementation of the study on the people-mover system? Are there some time ranges?

Mr. **Worthington**. Again, I wish you would let Gannett Fleming handle that. I missed last night's meeting.

Mr. **Simmens**. The figures that we see, assuming a pace of casino development that the county executive mentions, shows that none of the modes by themselves can anywhere meet the demand. To put 10,000 or 15,000 parking spaces on the expressway or other locations at the entrances of the city would only meet 20 or 30 percent of the overall demand and still leave plenty for the rail corridor.

Even if the rail corridor were operating 24 hours a day, in two years with modern trains we still could not meet all the demand, for a number of reasons, one of which is that a fair number of the visitors and some of the employees will be coming from directions other than the Philadelphia area in any case.

Mr. **Florio**. I suppose the question is: Is there a coordinating effort taking place so that all of the pieces, hopefully, will mesh at the end point?

Mr. **Simmens**. It is an effort. I would not say that it is at the point that we are all comfortable that everything will mesh. At least there is an informal network of people from the county, the authorities, the State, DOT, and the city who is working very closely together.

I think that one of the things that many of us feel is that a regional transportation authority that the assemblyman referred to could well be the mechanism to ultimately coordinate and implement many of these plans.

I would also say, in regard to the people-mover, based on our meeting last night, that I believe the estimate by the consultants was that the first phase of the people-mover could be in operation by the fall of 1983 at the earliest. That would cover an area from the Atlantic City Expressway interceptor lost through the city to the boardwalk and along parts of the boardwalk.

The final people-mover route could be in operation as early, or as late, as 1985. So, we are talking about no intracity hardware mass transit for at least 3 to 4 more years at the very earliest.

Mr. FLORIO. Mr. Hughes?

Mr. HUGHES. I think you have put your finger on one of my major concerns, and I have communicated that to the county and the expressway authority, that is looking at intercept parking: I see the same thing developing that has developed in years past and the momentum building up for one mode of transportation, the easiest mode, that is, trying to address the immediate congestion problems and then building in institutional barriers to a mass transit system.

I think we are going to have to be very careful in monitoring, to make sure we do have a balanced approach, that we bring along all forms of transportation simultaneously, so that we are not left, once again, with a self-fulfilling prophecy: wall-to-wall highways, intercept parking, and no real transit system. That gives me great concern. I think that is something that we will have to monitor closely in the years ahead, that we don't fall in that trap.

Mr. WORTHINGTON. I think that is true. On the other hand, I think we have to take a look at where these trips are generated. It is not only people who are coming for recreation to Atlantic City; 50 percent of the trip generation is generally those people who work in the casinos, who live in and around Atlantic County.

So, we still have to provide the ability for those people to move to and from their jobs at all hours of the day.

Mr. FLORIO. I was impressed with the figure that was provided to our committee that stated the population of Atlantic City is 43,000. By 1990, within 10 years, if the projected rate of casinos continues in the way that it is going, there will be approximately 100,000 to 120,000 employees needed for the casinos, more than double, almost triple the current population.

I am not sure what the housing capability is in this area, but I suspect that it is not sufficient to deal with that number of employees. Coming from the adjacent area, I suspect many of those employees will probably be living in my congressional district and will feel the need to commute in some way.

I think it is important that we address the concerns and the needs of commuters, as well as the tourists.

Mr. WORTHINGTON. Congressman, we have already had a series of meetings with Director Feldman of the Camden County Board of Freeholders and expect to continue a dialogue with him and with the staff.

We are also concerned about those problems. We are not operating in a vacuum here.

Mr. HUGHES. That points up another problem. When you talk about population, it obviously has to take place to the west, toward your district, Mr. Chairman, and perhaps in your district. That also points up the need to develop a dual track. A commuter service is different from the express service that I visualize eventually from the Northeast corridor, bringing people from the Boston and New York region and from the South, Washington and Baltimore. That is going to be a different type of service.

It seems to me that both are important. There is no way in the world that we are going to be able to accommodate all those automobiles in the Atlantic City area. We are going to have to devise a system that will accommodate both, those from long distances as well as the commuters.

Mr. FLORIO. Thank you very much, gentlemen.

Mr. WORTHINGTON. Jim, it is always good to see you, and Congressman, thank you again.

Mr. FLORIO. I will call our next two witnesses together, because they represent the Federal Government and the State government. In accordance with the theme of intergovernmental coordination, I think it is appropriate that we call upon them together.

I would like to call Mr. Louis Thompson, Director of the Northeast Corridor Improvement Project, as well as the Honorable John R. Jamieson, deputy commissioner of the New Jersey Department of Transportation.

We welcome you to the committee. Your statements will be made part of the record in their entirety. You may feel free to present your testimony as you see fit.

Mr. Thompson, we are pleased to see you. You have been of tremendous help to the committee in the past as we have dealt with Amtrak and the Northeast corridor legislation. We look forward to your continued views on the subject. Welcome.

STATEMENTS OF LOUIS S. THOMPSON, DIRECTOR, NORTHEAST CORRIDOR PROJECT, FEDERAL RAILROAD ADMINISTRATION, DEPARTMENT OF TRANSPORTATION; AND JOHN R. JAMIESON, DEPUTY COMMISSIONER, NEW JERSEY DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY BRIAN GREEN, OFFICE OF POLICY ANALYSIS

Mr. THOMPSON. Thank you very much, Mr. Chairman. It is a great pleasure to be here.

As you remember, not too long ago we were on the other coast of the United States, discussing a similar issue.

It is a great pleasure for me to be here now with you in this area and to talk about a transportation problem which is very close to home.

Congressman Hughes, I appreciate your hosting this. I want to join with you in your remarks about Chairman Florio's efforts to push, provoke, develop, and encourage the debate about the problems and the ideas that are being discussed here today, and I would like to reciprocate the feeling that it has been a pleasure working on these issues.

I think that the discussions together get us a long way in the right direction. So I appreciate the chance to talk with you about this issue.

Let me just summarize, since the testimony will be put in the record, the basis for what we are saying, and then go directly on to the testimony of the gentleman from New Jersey.

We have only been able to take a quick, rapid and in some cases surface look at the problem of the cost of transportation, rail transportation from Philadelphia to Atlantic City.

I want, specifically, to be sure that I stress on the record that the numbers and considerations that we will be discussing now are an initial estimate; they do not reflect any detailed discussions with Amtrak, Conrail, or New Jersey Department of Transportation at this point. I think we would certainly want to go into detailed discussions with those authorities if we push this discussion further.

Having said that, you asked me a series of questions that ought to be discussed. I would like to address those, from the point of view of engineering and planning, and leave the policy issues for later discussion, if we could.

May I also introduce Gordon B. Mott, who is the senior staff member with me and who has done a lot of homework on this testimony.

You asked, first, about the potential demand and energy savings for an Atlantic City-to-Philadelphia route.

The visits for gambling or casino activities, and I think for holiday or recreational purposes, are going to be an enormous force, as we have heard today, in promoting visitors to Atlantic City. Independent studies show as many as 18 million visitors in 1985, which could generate around 37 million visitor trips to Atlantic City. Of those trips, as many as 50 percent of them could involve areas that are generally related to the Northeast corridor project, since about 60 percent of the population in nearby States is located in metropolitan areas with good rail service in the corridor.

Now, at this time it is very difficult to tell what portion of those will be amenable to rail service, but using what I think is probably a conservative estimate of only 4 to 6 percent of those, we find rather large numbers, between 730,000 and 1 million passengers per year potential for rail from Philadelphia to Atlantic City.

I want also to mention a subject which you mentioned earlier and which I think is quite important, and that is what I guess you would call reverse commuting to Atlantic City.

Right now, as you know, the service runs in from Atlantic City to Philadelphia and out from Philadelphia to Atlantic City. There is a very large potential which is a little more difficult to estimate for commuting from the Philadelphia area to Atlantic City and vice versa that might approximate 50,000 to 100,000 a year.

We then come up with initial numbers of 178 to 274 passengers per train, assuming 6 trains a day in each direction.

The earlier testimony I heard suggests numbers much larger than that. I would stress that we have tried to be conservative and talk about initial ridership numbers. Obviously, these numbers would increase and increase dramatically if fuel availability became a serious problem.

With respect to energy savings, we are guessing now somewhere between 100 and 150 barrels a day of oil equivalent could be saved just by the ridership that we are discussing. Again, depending on the makeup of passengers that come into Atlantic City, the further a way they come from, the more energy would be saved.

If you were displacing automobile travel from New York City to Atlantic City, for example, you would be saving relatively more energy.

You asked then as a second question what route, operating characteristics and frequencies we would recommend, and what would be the cost of upgrading the route.

The initial recommendation would focus on the traditional route from Philadelphia's 30th Street Station through Shore Interlocking on the Amtrak system through Haddonfield to Lindenwold and from Lindenwold to Atlantic City. As you know, the present the 45-mile service from Lindenwold to Atlantic City is the only service available. The remainder of the service would be required in order to make what I think is a vital connection in Philadelphia at the 30th Street Station.

Right now, in order to get to the 30th Street Station and access to the major Northeast corridor service, one has to get off at Lindenwold and take mass transit from there to 30th Street Station. There are several different ways of doing it, but transfer is necessary in order to make that connection.

The track connection from Philadelphia's 30th Street Station to Shore Interlocking is established and will be maintained as part of the Northeast corridor project. From Shore Interlocking across the Delair Bridge to Jersey Interlocking is part of an important Conrail freight route. Conrail also owns the line on through Haddonfield, much of which is out of service at the present time. It is still there physically but it is not being used. The segment from Haddonfield to Lindenwold is about 6 miles that the Delaware River Port Authority owns, all of which is out of service.

Our preliminary discussions indicate this could be put back in service with a minimum amount of trouble, although a fair amount of upgrading would be required; at least the track is still in place and could be put back in service.

Mr. FLORIO. When we are talking about "in service" and this whole concept, we are not talking about anything like bullet trains?

Mr. THOMPSON. No, sir. The numbers I will be using are basic, standard technology right now, today, 79-miles-an-hour classical-type service. This is not to say that you could not run higher speed trains or put higher speed trains on the line; but the initial dollars that we have looked at and the calculations we have run through are based on what we absolutely are certain could be done today with no new technology or anything particularly impressive, just standard service.

I would mention that since the distance is relatively short, the payoff for really high-speed, exotic trains is a lot less than it is when you have a longer distance to travel.

Seventy-nine-miles-an-hour uniform service can provide surprisingly good trip times, on the order of 1 hour and 30 minutes to 1 hour and 45 minutes, with five stops in between. You would not improve that a lot if you went to 110 miles an hour. That could clearly be done if you wanted to provide express trains. The cost of doing the basic, initial upgrading that I am talking about here would be somewhere between $5 to $8 million, plus an additional $250,000 to get some signal work and grade crossing work done, and an additional $2.5 million for signal work on track which is not now in service.

This would assume that the present track could be used. If you had to replace that track by picking it up, welding it and putting it back in service as continuous welded rail, you would probably have to add another $8 to $10 million to that figure.

I am not making any projection here either for any new terminal facilities in Atlantic City.

We took a look at the terminal this morning. I would guess that with the number of passengers we are talking about here, one would want to upgrade the station; but I have not included any money or estimate on that. This is all in the fixed facility.

There is probably an additional $10 to $15 million associated with operating equipment, depending on the type of equipment and the frequency of service to be provided.

We have not attempted at this stage to estimate whether the service would require a subsidy or whether it would pay for itself. I think that would depend largely on the mix between commuter ridership and resort ridership and the pricing strategy that the operator wanted to follow.

Surely, for resort ridership it could be made to pay for itself or come close. For the commuter ridership, again the social benefits are such that the State might wish to follow a different kind of fare policy as they do elsewhere for commuter riders.

You asked us in question 3 to evaluate the regional benefits of the service. That is a little more difficult. Our estimate is that about half of the traffic could originate or terminate in Philadelphia, half might transfer to other Northeast corridor points, primarily Washington, Baltimore, and New York.

There would be around 40 to 60 million passenger miles involved in trips beyond Philadelphia, with an average passenger trip beyond Philadelphia of 100 miles. This points to the key importance of connecting 30th Street Station to Atlantic City, so that you can pick up the traffic. I would imagine that without that connection at 30th Street or north Philadelphia, you would not get the ridership beyond Philadelphia at all. That connection is essential in order to get the ridership beyond Philadelphia.

We think half of the ridership could well begin beyond Philadelphia. This leads to a projection that you might have as many as 400 passengers a day each way between Philadelphia and New York; again using some rough estimate as to where the passengers might originate. Four hundred passengers a day is enough to impose some burden on the train ridership capacity north of Philadelphia, so there might be a secondary impact of a requirement for additional Amtrak equipment to haul the passengers from Philadelphia to New York. It could, however, significantly improve the profitability of the Northeast corridor operation per se as a connector to the Atlantic City-Philadelphia service.

The fourth question you asked was how such a connection could be made in a cost effective manner. We began to emphasize heavily the connection at 30th Street in Philadelphia because this is where the Metroliner service stops, and this is the focus for all the upgraded Northeast corridor service that we would hope to begin as soon as the corridor project itself is completed and in operation.

So, I think the maximum payoff for the service would be achieved if the connection is made at 30th Street Station; however, for the trains coming from north of Philadelphia, there may be a benefit in having a connection also in north Philadelphia because the travelers coming from the north could get off and interchange in north Philadelphia and save 10 to 20 minutes on the trip to Atlantic City.

I think you would want to tie the two together at those points.

I also want to mention the need, at least at the outset, to consider coordinated bus service as well as the train service.

Right now, the bus service is roughly time competitive with 30th Street Station service and would play some role in the startup of any passenger service or the linkage between Northeast corridor and Atlantic City.

Thank you.

[Testimony resumes on p. 290.]

[Mr. Thompson's prepared statement follows:]

Testimony of Louis S. Thompson
Director, Northeast Corridor Project
Federal Railroad Administration
U. S. Department of Transportation

Mr. Chairman, I am here today to answer questions about potential rail passenger service from Philadelphia to Atlantic City on the basis of a very limited review which my office has done of the passenger demand prospects and physical conditions of the existing rail line.

I want to emphasize that we have not had as much time to prepare this analysis as we would have preferred. The physical requirements for example were assessed by two staff members who observed the right-of-way during a regularly scheduled train from Atlantic City to Lindenwold, where the service presently stops. We have not been able to conduct a thorough track inspection on any part of the line nor even to observe the line from Haddonfield, west to "Shore" Interlocking on the Northeast Corridor mainline. This segment has no passenger service at all at the present time. In addition, we have not had the opportunity to discuss these findings with Amtrak, Conrail or the New Jersey Department of Transportation (NJDOT). We would expect that NJDOT in particular would play an important role in any potential service and should therefore be consulted.

With these caveats in mind, let me try to answer the questions that you posed in a recent letter to the Department of Transportation. I want to emphasize that our review of this potential passenger service has been at this stage from an engineering and planning viewpoint. We have not gotten into the larger policy issues of whether the service is economically feasible, who would run it, and who would finance it, and the role of the gambling casinos in the financing.

Question #1: What are the potential demand and energy savings for an Atlantic City - Philadelphia route?

A. Demand

The potential demand for an Atlantic City - Philadelphia rail service will develop from two sources: the primary source being visitors to Atlantic City, and the secondary source being commuters. Before discussing these two demand factors, I want to make clear that the economic assumptions underlying the forecast of demand come from studies completed for and accepted by the City of Atlantic City in relation to other projections.[1/] We have not done an independent assessment of the realism of these forecasts.

The volume of visitors to Atlantic City is expected to increase significantly by 1985. An independent forecast projects 18.3 million visitors in 1985, most of them gambling visits. Thus, projections show 37 million visitor trips to and from Atlantic City in 1985. We believe that over 50 percent of these trips would involve areas which are convenient to a rail service in the Northeast Corridor, since over 60 percent of the population in nearby states is located in metropolitan areas with good rail service in the Corridor.

[1/] In particular, Evaluation of the Effects of Casino Hotel Development on the Demands for Housing in the Atlantic City Market Area, September 1979, Economic Research Associates.

Somewhere between 4 and 6 percent of the Atlantic City visitors from Northeast Corridor areas are forecast to use rail service in 1985, based on a conservative review of the rail mode preference in established rail corridors. Actually the percentage is higher between cities directly served by the Northeast Corridor rail system.

A second source of demand comes from commuters, and while intercity demand forecasts do not usually cover commuter rail demand, it is significant in this case due to the potential for two-way demand, and since present service is exclusively for commuters. There is presently only commuter service to Philadelphia, with none scheduled to serve commuters in the reverse direction. As Atlantic City employment builds up, there will also be a commuter demand for service to the Atlantic City area since there are unusual pressures on housing in the Atlantic City/Atlantic County area.

Based on the independent visitor projections earlier cited, we estimate that the potential visitor travel by rail to and from Atlantic City would range between 730,000 and 1,100,000 in 1985 and that commuter demand would be between 50,000 and 100,000 yearly (100 to 200 commuters per day each way). This results in between 178 and 274 passengers per train (passenger miles per train mile), assuming 6 trains per day in each direction.

These numbers could increase if fuel availability becomes a serious problem.

B. Energy Savings

The energy saving associated with this possible rail service involves not only the distance between Atlantic City and Philadelphia, but passenger trips involving other parts of the Northeast Corridor system. There are no surveys available which show the present or future distribution of Atlantic City visitors by city of origin. We believe, based on brief discussions with representatives of the resort industry, that at least half of the visitors from the Northeast Corridor area would be from Philadelphia. Most of the remainder would be from the Washington/Baltimore and New York areas.

Taking into account all NEC passenger miles, and not just Atlantic City - Philadelphia passenger miles, we estimate that the energy savings of the service to Atlantic City could range between 97 and 149 barrels a day.

I would caution that these estimates are based on broad average figures for passenger miles per gallon by rail vs. by other modes, as well as certain assumptions about how the visitors and commuters would travel if no rail service were available.

Question #2: What route, operating characteristics and train frequency would you recommend to achieve the above potential? What is the cost of upgrading this route?

A. Route and Operating Characteristics

The most desirable route for Philadelphia - Atlantic City passenger trains is one that permits connection with Amtrak trains using Philadelphia stations. Such a route is shown below:

Philadelphia 30th St. Station - Shore Interlocking
7.5 miles - Amtrak

Shore Interlocking - Haddonfield
6.0 miles - Conrail (out of service last 3 miles)

Haddonfield - Lindenwold
5.8 miles - Delaware River Port Authority (all out of service)

Lindenwold - Atlantic City
45.4 miles - New Jersey Dept. of Transportation (Conrail operated)

This duplicates the traditional routing for passenger service as it existed until 1969. Presently, there is service only between the end of the PATCO High-Speed Line at Lindenwold and Atlantic City, with passengers for Philadelphia transferring to the PATCO line at Lindenwold. This provides good access to downtown Philadelphia and to other forms of urban public transportation, but intercity passengers must either transfer to the Market Street Subway to get to 30th Street Station or else get off at the end of the line of the PATCO service at 16th and Locust and walk about five blocks to Surburban Station to catch a local train to 30th Street.

Operationally, the section from 30th Street to Shore Interlocking is over a portion of the Northeast Corridor mainline with speeds of up to 70 MPH. At Shore, the route diverges on the Delair Branch of Conrail and crosses the Delaware River lift bridge to Jersey Interlocking. This is the freight line leading to Pavonia Yard (Camden, N.J.). It is double track with a 30 MPH speed limit for passenger trains. Conrail normally operates about five through freight trains each way daily over this section. From Jersey Interlocking, the line remains in operation for about two miles to former Jordon Interlocking where the Holly Secondary Line diverges to Fort Dix. This interlocking has been removed and only a hand-operated switch now leads to the line to Haddonfield. From that point to Haddonfield the line is out of service. The track structure is all intact, but thoroughly overgrown with vegetation. The Automatic Block Signal system on this portion has been removed. From Haddonfield to Lindenwold the track, while out of service, appears to be in generally acceptable condition, having been largely rebuilt as a result of the PATCO line construction. Currently, the track is severed near the new Woodcrest PATCO station as a result of construction, but restoring it would be a minor task. There have also been some track changes made near the Lindenwold station to facilitate PATCO movements from their mainlines into their shop facility, and if regular service were to be operated over this line, some revisions might be necessary.

From Lindenwold to Atlantic City, the railroad is in operation, with passenger service provided by Conrail under contract to the New Jersey Department of Transportation. There are three daily round trips to

Atlantic City, all inbound to Lindenwold in the morning and outbound to Atlantic City in the evening; all run Monday - Friday only. The trains each consist of a single Budd RDC self-propelled vehicle. There is only limited local freight service, mostly between Winslow Junction and Atlantic City. The railroad is all basically FRA Class IV and has a 70 MPH speed limit over almost the entire route. It is single track (formerly double track, one track removed about 1969) and is equipped with a modified form of Manual Block System, controlled from Winslow Junction. The number of passing sidings is severely limited, but given the distances involved, if trains are scheduled properly this should not be a major problem. If additional sidings are required, the grade of the former second main track is still present. The general condition of the track is good, though tie condition appears to be marginal. The railroad was cut back in Atlantic City from the original station which now is the bus depot to a point a mile or so west where a new and very small waiting area was built. Freeway entrance and exit ramps have now severed the former right-of-way. The city of Atlantic City has plans for a new intermodal transportation terminal which would include rail.

The potential demand estimated above assumes a frequency of at least six trains each way daily. The running time from 30th Street Station, assuming only in-kind upgrading of the railroad with no speeds greater than 79 MPH, would be between 1'30" and 1'45" including about five intermediate stops. Because of the relatively short total distance and the short distance between stops, as well as the presence of numerous public grade crossings, our initial opinion is that the costs of safely attaining speeds higher than 79 MPH may not be outweighed by the benefits. The actual schedules should be timed so as to give consideration to the needs of persons employed in Atlantic City but resident in the Philadelphia area, as well as trying to replace at least one of the present New Jersey DOT commuter trains. Beyond that, consideration should be given to Amtrak schedules from New York and Washington in order that convenient connections are available. It should be possible, with proper spacing of the schedules, to operate even eight trains each way with only two sets of equipment.

B. Cost of Upgrading

The very limited time that we have had to prepare a response precluded our making the kind of inspection of the railroad which would be necessary in order to produce reliable estimates of necessary upgrading costs. Likewise we have not had time to discuss any plans with the owners or operators of the line. With this in mind, our estimate of the work required to place the line into reasonably good FRA Class IV condition throughout is $5 to $8 million, allowing for project contingencies, but in constant 1980 dollars not escalated for inflation. An additional $250,000 could be required to install gates at existing grade crossings. Reinstallation of a signal system between Lindenwold and Jersey Interlocking could cost an additional

$2,500,000. The largest portion of the track rehabilitation money would be for tie renewals. There is no new rail included in the estimate for, while the existing rail is old, there has not been a great deal of tonnage over it and it appears to be in reasonably good condition. If it were determined, on the basis of a more detailed inspection, that new rail were required on the Jersey Interlocking - Atlantic City segment, the cost would be in the neighborhood of $8 to $10 million assuming that existing rail would be cropped, welded, and reused.

There is also not included any provision for new terminal facilities in Atlantic City. The existing station is very small and the amount of trackage limited. There also is neither a wye track nor a turntable where a locomotive could be turned at Atlantic City, should conventional locomotive hauled trains be used. No provision has been made for servicing facilities at Atlantic City under the assumption that all equipment servicing and maintenance would be done by Amtrak at Philadelphia.

Of course there would be other costs involved here besides the cost of upgrading fixed facilities. The rolling stock, assuming all new equipment, would cost $10 to $14 million, depending on the demand level. In addition, there would in all probability be an operating subsidy involved if conventional Amtrak fare levels were used. However, given the nature of the market--mostly gambling and resort-oriented--it may be possible and would probably be desirable to get the service to break even if it were put into operation. We have not at this point estimated the operating costs of such an operation.

Question #3: Evaluate the regional benefits of the Atlantic City - Philadelphia route as a feeder route to the NEC.

We believe that about half of the forecast traffic would originate or terminate at Philadelphia, and half would travel to other NEC points, primarily Washington, Baltimore, and New York. There would be between 40 and 60 million passenger miles involved in the trips beyond Philadelphia, with an average passenger trip beyond Philadelphia of about 100 miles.

The incremental NEC revenues would be $6 to $9 million in 1985, based on 15¢ per mile. The NEC costs should not increase at all in the direction south of Philadelphia, since considerable excess vehicle capacity exists there now.

The maximum forecast of 1.2 million per year would involve about 411 passengers per day each way between Philadelphia and New York. This is probably above the threshold where additional vehicle capacity would be needed North of Philadelphia, and therefore some added costs would also be involved.

Question #4: Describe how an Atlantic City - Philadelphia connection with the Northeast Corridor could be achieved in a cost/effective manner.

As indicated previously, the principal connecting point with the Northeast Corridor would be the 30th Street Station in Philadelphia. This is the only Philadelphia stop for all Metroliners. It is also adjacent to Amtrak's locomotive and car servicing and maintenance facility where the Atlantic City equipment presumably would be maintained. Connections at this point would be convenient and should require no significant capital expenditure. All of the former Pennsylvania Railroad commuter lines now operated by SEPTA to the Philadelphia suburbs as well as the proposed Airport High Speed Line pass through 30th Street Station, providing the opportunity for easy connections for these riders as well.

For travellers from points north of Philadelphia, several of the conventional (non-Metroliner) NEC trains make a North Philadelphia stop. The Atlantic City service would also pass through North Philadelphia, so that if schedules were properly coordinated, the travel time from points north of Philadelphia to Atlantic City could be reduced by a total of some 20 minutes by connecting at North Philadelphia instead of 30th Street.

We would assume that Atlantic City trains would also make a Lindenwold stop, thus providing the tie-in to the Philadelphia-area urban mass transit system through PATCO's Lindenwold High-Speed Line.

The route I described is very circuitous from 30th Street Station to Lindenwold. Amtrak's published shcedule today shows connecting motor coach service between 30th Street Station and Atlantic City, with a trip time of one hour, thirty minutes. This schedule would be very competitive with improved train service as would limousine service unless highway congestion become intolerable. Therefore, any search for a cost/effective solution should not exclude the bus alternative.

Mr. **Florio.** Mr. Jamieson?

STATEMENT OF JOHN R. JAMIESON

Mr. **Jamieson.** My name is John Jamieson, deputy commissioner of the New Jersey Department of Transportation. I will skip the prepared testimony in regard to the description of the existing service which has been adequately covered by some of the other speakers.

Mr. **Florio.** Could we ask you to introduce your colleague?

Mr. **Jamieson.** Brian Green, in our office of policy analysis.

I would like to get into the department's activities concerned with the PRSL.

The department is working with State Senator Persky and other elected officials from Atlantic County to secure legislation creating an Atlantic County Transportation Authority. This authority will be able to construct, operate, or subsidize mass transit facilities, including high-speed rail service.

The department is cooperating with Compagnie Generale D'Electricite—CGE—which has expressed interest in developing a direct, high-speed rail connection between Philadelphia and Atlantic City. The CGE plan calls for electrification of the PRSL, leasing of the PRSL right-of-way from New York Transit, leasing of trackage rights from Conrail and Amtrak, and some improvement to the Delair Bridge.

CGE expects completion of a marketing and preliminary feasibility study of its proposal soon, and if found satisfactory could initiate preliminary engineering sometime thereafter.

Finally, the department is presently undertaking a study of the traffic needs in the Atlantic City-Philadelphia corridor. This study, which we hope to have underway in a few months, will identify the near-term, 1985, and longer-term, 1990, transportation needs of this corridor.

The advent of legalized casino gambling in Atlantic City has brought with it unprecedented potential for growth and development. As of January 1, 1980, there are three casino-hotels operating in Atlantic City, and the most recent estimates of casino development forecast 20 casino-hotels in operation by 1985, and 26 casino-hotels by 1990.

Some estimates of gambling visitation have indicated that by 1985 as many as 16 million annual visitors will be attracted to Atlantic City, primarily for gambling purposes. By 1990, 21.3 million annual gambling visitors are anticipated.

Total employment in the Atlantic City labor market is 276,000 in 1990. It is important to remember that the actual trip generation by employees is much higher. Therefore, total work trips—based on a work year of 240 days—are 26.4 million work trips in 1980, 56.4 million work trips in 1985, and 676.2 million work trips by 1990.

The impacts of casino development related visitation are already being felt in Atlantic City and the surrounding region. Atlantic City, because of its island location, has historically been plagued with those problems associated with limited access. Additionally, the city is provided with a very limited intercity rail service, and the local bus system has steadily deteriorated. Although casinos have precipitated an increase in intercity and charter bus operations, the auto continues to be the major mode of travel to Atlantic City.

The increased influx of auto traffic to Atlantic City is already causing significant congestion within the city, some of which is overflowing onto the main access routes to the city. However, there is considerable capacity remaining in the existing highway network around Atlantic City.

The Atlantic City Expressway Authority has proposed building large intercept parking garages to contain over 25,000 cars over its right-of-way as a way of relieving some of the parking problems in Atlantic City. These parking garages would be served initially by a shuttle bus system and later by a downtown people mover—DPM. However, there may be problems with the construction of such mammoth facilities, particularly in light of its impact on encouraging the use of autos during times of energy shortages.

In addition, the specter of energy shortages makes it imperative to develop fuel efficient alternatives to the auto.

In view of the energy shortages, and the problems arising from encouraging additional auto travel into Atlantic City, the department and the States are anxious to divert as many people as possible from automobile to public transit. Therefore, the Pennsylvania Reading Seashore Line, PRSL, is being viewed with renewed interest.

The department believes that improved rail service must provide more than just transportation for customers of the casinos. It should also provide access for workers from the Philadelphia/Camden area and intermediate points to reach jobs in Atlantic City. The high cost of housing in Atlantic City, rising energy costs and scarcity of parking make it necessary to provide good transportation for the increasing number of employees who must live long distances from where they work.

Improved rail service should also serve the residents of Atlantic City and intermediate points such as Hammonton, Egg Harbor, and Absecon who travel to jobs in the Philadelphia/Camden area.

The rail service should allow easier transfer with Patco as well as provide for the continuation and expansion of freight service.

Finally, improved rail service should be reasonably compatible with the development plans for the Pinelands and the coastal zone.

For rail service to be successful in this corridor, we believe that several obstacles must be dealt with. Among them are:

One, trackage. At present, the PRSL which is owned by the State is a single-track railroad with some passing sidings. It is used for both freight and passenger service. The condition of the track is fair and there are grade crossings at several points. Track improvements will be needed and at some point in the future double tracking may be necessary in order to accommodate high-speed rail service.

Two, Delair Bridge and freight trackage from Lindenwold to Philadelphia. Philadelphia-Atlantic City service will require using the Delair Bridge and existing freight trackage in Camden. This track is in fair condition, with many grade crossings and it will need improvements to accommodate passenger service.

Three, transfer station with Patco. The present transfer at Lindenwold is not designed for across-the-platform transfer, which is necessary for good rail service. The department, in conjunction with DRPA, is studying the feasibility of extending Patco to West Berlin where a new across-the-platform transfer station would be built.

Four, Philadelphia terminal. While we assume that Amtrak's 30th Street Station would be the logical terminus of this service, consideration should also be given to Philadelphia International Airport where the Southeastern Pennsylvania Transportation Authority, Septa, is building a line linking it with the Northeast corridor. Septa is also looking for a connection to the airport.

Five, Atlantic City terminal. For rail service to be successful, a new terminal closer to the center of Atlantic City is needed. Atlantic City and others are evaluating proposals for a new multidodal transportation center that will link up with the proposed DPM.

The department supports improved rail service in the Atlantic City-Philadelphia areas. We believe that Atlantic City-Philadelphia service is a logical extension of the Northeast corridor.

Expanding rail service on the emerging Atlantic City-Philadelphia corridor can provide additional riders on the Northeast corridor, especially if there is direct Atlantic City service from such points as Boston, New York, Richmond, and Washington. Thus, this new service can serve a feeder function similar to that now provided by the Philadelphia-Harrisburg-New York-Albany and New Haven-Hartford services.

I mention these extensions to the corridor because service on these routes is part of the permanent Amtrak route structure and we believe that Atlantic City-Philadelphia service could fit into this same category.

The department is committed to maintaining rail service on this corridor. Evidence of this is our purchase of the right-of-way under the 900-day option, major rehabilitation programs and ongoing operating assistance to support rail passenger service.

The department, however, cannot at this time devote additional resources to this corridor. We have identified as our first priority the rehabilitation and modernization of rail service linking high density residential areas with major employment centers. These projects, which include the electrification of the North Jersey Coast Line and the former Erie-Lackawanna lines, and the upgrading of the Raritan Valley—former CNJ—are expected to cost $560 million in State and Federal funds.

This is our first priority and the Department is having difficulty in obtaining sufficient Federal funds to meet all our modernization needs.

In addition, the department's operating assistance program for commuter rail operations is approximately $75 million per year; therefore, it is unlikely that we can take on new, costly rail projects before we have met our current capital and operating needs.

Nevertheless, we believe that high-speed rail service between Atlantic City and Philadelphia is a good idea which should be pursued actively as an adjunct service to Amtrak's intercity service.

As owner of the right-of-way, we are willing to work with Amtrak, other governmental bodies or private companies to develop this emerging corridor. Therefore, we would like to extend our cooperation to you and to coordinate this new service with our commuter needs in this effort to provide improved mass transit for Atlantic City.

[Testimony resumes on p. 301.]

[Mr. Jamieson's prepared statement follows:]

TESTIMONY OF NEW JERSEY DEPARTMENT OF TRANSPORTATION ON EXPANDED RAIL PASSENGER SERVICE BETWEEN PHILADELPHIA AND ATLANTIC CITY

My name is John Jamieson, and I am Deputy Commissioner of the New Jersey Department of Transportation (NJDOT or Department). I will be speaking about the Department's support for increased rail service to Atlantic City from Philadelphia and other points on the Northeast Corridor, such as Boston, New York, Richmond and Washington. We believe that this new service will not only benefit the Atlantic City-Philadelphia area but also the Northeast Corridor in terms of reduced congestion, less pollution and a better quality of life. Before discussing the Department's position, including its ability to commit additional funds, I would like to describe existing rail service, outline the Department's commitment to this corridor, analyze the impact of gambling on transportation to and from Atlantic City, discues the goals the Department would like to see considered in any expanded service, and enumerate constraints or problems that will need to be resolved before rail service can be improved.

EXISTING RAIL SERVICE

Conrail provides rail service under contract from NJDOT on the former PRSL from southern New Jersey shore points to Lindenwold where passengers transfer to high speed PATCO trains bound for Philadelphia. Service is provided by rail diesel cars (RDC's) operating on a single track. There are three morning rush hour trips from Atlantic City to Lindenwold which return in the afternoon. There is no weekend service, nor is it possible to travel to Atlantic City by rail without staying overnight. Most of the line is at grade level with almost all road crossings occuring at grade. Major crossroads are protected by gates and/or warning signals. There are five stations serving the Atlantic City Line they are described below:

1. Lindenwold

The Lindenwold Station is primarily a transfer facility. It is the destination of all trains. 99 percent of the commuters boarding at other stations transfer here to PATCO high speed rail service to Philadelphia. The complex is dominated by PATCO tracks, station, parking lots and repair yards leaving only minimal facilities for Conrail commuters. These consist of a 540' long concrete platform with a ticket shanty, adjacent to a retaining wall for the elevated PATCO tracks. Access is via two tunnels under the PATCO tracks to the PATCO station and parking lots. The setting is dominated by the PATCO yards to the east and large parking lots to the west.

2. Hammonton

The Hammonton Station is an attractive one storey brick structure with decorative wood brackets supporting a slate shingle roof. It is located in a somewhat deteriorated commercial neighborhood west of the central business district. The building is presently closed to the public, but remains in fairly good condition. A brick and asphalt platform adjacent to the station now serves inbound and outbound trains on the one track Atlantic City Line. An abandoned outbound platform remains in place across the track where it served a second track which has since been removed.

3. Egg Harbor

Egg Harbor Station has two tracks and two platforms but only the outbound (west) platform and track are now used for all service. There is a small open wood shelter with a bench on the outbound side. The shelter is listing and in poor condition. The area surrounding it is overgrown with weeds. The area is primarily residential with a commercial district east of the station at the intersection of N.J. Rt. 50 with US Rt. 30. To the southwest Rt. 50 connects to the Atlantic City Expressway.

4. Absecon

Absecon Station is located along an elevated section of the Atlantic City Line. It has the highest ridership of any station on the entire PRSL, excepting Lindenwold. The two storey structure has a brick second floor supported on a horizontally rusticated concrete base whose texture is carried through the underpass at both sides. The station was built by the WPA approximately 40 years ago and, although it is no longer open to the public, it remains in generally good condition. An independent stair leads from the street to a small canopy attached to the building and a 500' long platform extending across the underpass. The setting is mixed with some residential areas to the west and the central business district one block to the north across Absecon Boulevard (US Rt. 30).

5. Atlantic City

The original Atlantic City Railroad Station was converted to a bus facility in 1965. A new station was built several blocks farther out the line adjacent to the intracoastal waterway. The new building is a modern one storey brick structure with a modular wood framed roof system consisting of four square hipped sections. At both front and rear of the building there is a projecting, flat roofed canopy supported on three freestanding brick piers. Fifty feet west, next to the tracks, there is an older two storey brick structure which is used for freight services and operations. There are two parking areas, a larger employee lot holding approximately 80 cars and a small lot half the size adjacent to the station building for commuter use. The station is difficult to find and the setting is rather desolate with vacant land immediately surrounding the station. Various industries including an electric power plant are across Bacharach Boulevard and the Atlantic City Expressway parallels the tracks to the south. There is a low income housing project one block to the east and the central business is five to six blocks to the east.

DEPARTMENTAL ACTIVITIES CONCERNED WITH THE PRSL

The Department has made a substantial commitment to rail service in southern New Jersey. The Department purchased the PRSL between Lindenwold and Atlantic City from Conrail under the 900 Day Option in 1978. Because of deteriorated track conditions the Department has recently completed a track improvement program costing $219,000 this past year. In addition, Conrail estimates that an additional $4,000,000 will be needed to bring the track up to passenger standards. The Department supports the operation of the line through its operating assistance program with Conrail. In State Fiscal year 1980, the Department expects to spend $2 million in State and Federal funds to support the operations of the PRSL.

In addition to our financial commitments, the Department is working with State Senator Perskie and other elected officials from Atlantic County to secure legislation creating an Atlantic County Transportation Authority. This authority will be able to construct; operate or subsidize mass transit facilities, including high speed rail service. The Department is cooperating with Compagnie Generale D'Electricite (CGE), which has expressed interest in developing a direct, high-speed rail connection between Philadelphia and Atlantic City. The CGE plan calls for electrification of the PRSL, leasing of the PRSL right-of-way from NJ TRANSIT, leasing of trackage rights from Conrail and Amtrak, and some improvement to the Delair Bridge. CGE expects completion of a marketing and preliminary feasibility study of its proposal soon, and if found satisfactory could ~~expects to~~ initiate preliminary engineering sometime thereafter. Finally, the Department is presently undertaking a study of the traffic needs in the Atlantic City-Philadelphia Corridor. This study, which we hope to have underway in a few months, will identify the near term, 1985, and longer term, 1990, transportation needs of this corridor.

IMPACT OF CASINO HOTEL DEVELOPMENT[1]

The advent of legalized casino gambling in Atlantic City has brought with it unprecedented potentials for growth and development. As of January 1, 1980, there are three casino/hotels operating in Atlantic City and the most recent estimates of casino development forecast twenty casino/hotels in operation by 1985 and twenty-six casino/hotels by 1990. Some estimates of gambling visitation have indicated that, by 1985, as many as 16 million annual visitors will be attracted to Atlantic City primarily for gambling purposes. By 1990, 21.3 million annual gambling visitors are anticipated. Total employment in the Atlantic City labor market is expected to rise from 109,800 in 1980 to 235,000 in 1985 and 276,000 in 1990. It is important to remember that the actual trip generation by employees is much higher. Therefore, total work trips (based on a work year of 240 days) are 26.4 million work trips in 1980, 56.4 million work trips in 1985 and 66.2 million work trips by 1990.

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[1] The following data are from "Evaluation of the Effects of Casino Hotel Development on the Demand for Housing in the Alantic City Market Area", ERA (Economic Research Associates), September 1979.

The impacts of casino development related visitation are already being felt in Atlantic City and the surrounding region. Atlantic City, because of its island location has historically been plagued with those problems associated with limited access. Additionally, the City is provided with a very limited intercity rail service, and the local bus system has steadily deteriorated. Although casinos have precipitated an increase in intercity and charter bus operations, the auto continues to be the major mode of travel to Atlantic City.

The increased influx of auto traffic to Atlantic City is already causing significant congestion within the City, some of which is overflowing onto the main access routes to the City. However, there is considerable capacity remaining in the existing highway network around Atlantic City. The Atlantic City Expressway Authority has proposed building large intercept parking garages to contain over 25,000 cars over its right-of-way as a way of relieving some of the parking problems in Atlantic City. These parking garages would be served initially by a shuttle bus system and later by a Downtown People Mover (DPM). However, there may be problems with the construction of such manmouth facilities, particularly in light of its impact on encouraging the use of autos during times of energy shortages. In addition, the spector of energy shortages make it imperative to develop fuel efficient alternatives to the auto.

In view of the energy shortages, and the problems arising from encouraging additional auto travel into Atlantic City, the Department and the State are anxious to divert as many people as possible from automobile to public transit. Therefore, the Pennsylvania Reading Seashore Line (PRSL) is being viewed with renewed interest.

GOALS FOR IMPROVING SERVICE

The Department believes that improved rail service must provide more than just transportation for customers of the casinos. It should also provide access for workers from the Philadelphia/Camden area and intermediate points to reach jobs in Atlantic City. The high cost of housing in Atlantic City, rising energy costs, and scarity of parking make it necessary to provide good transportation for the increasing number of employees who must live long distances from where they work. Improved rail service should also serve the residents of Atlantic City and intermediate points such as Hammonton, Egg Harbor and Absecon who travel to jobs in the Philadelphia/Camden area. The rail service should allow easier transfer with PATCO as well as provide for the continuation and expansion of freight service. Finally, improved rail service should be compatible with the development plans for the Pinelands and the Coastal Zone.

POTENTIAL PROBLEMS

For rail service to be successful in this corridor we believe that several obstacles must be dealt with. Among them are:

1) Trackage - At present, the PRSL which is owned by the State, is a single track railroad with some passing sidings. It is used for both freight and passenger service. The condition of the track is fair and there are grade crossings at several points. Track improvements will be needed and at some point in the future, double tracking may be necessary in order to accommodate high speed rail service.

2) Delair Bridge and Freight Trackage From Lindenwold to Philadelphia - Philadelphia-Atlantic City service will require using the Delair Bridge and existing freight trackage in Camden. This track is in fair condition with many grade crossings and it will need improvements to accommodate passenger service.

3) Transfer Station with PATCO - The present transfer at Lindenwold is not designed for across-the-platform transfer, which is necessary for good rail service. The Department in conjunction with DRPA is studying the feasibility of extending PATCO to West Berlin where a new across-the-platform transfer station would be built.

4) Philadelphia Terminal - While we assume that Amtrak's 30th Street Station would be the logical terminus of this service, consideration should also be given to Philadelphia International Airport where the SouthEastern Pennsylvania Transportation Authority (SEPTA) is building a line linking it with the Northeast Corridor.

5) Atlantic City Terminal - For rail service to be successful, a new terminal closer to the center of Atlantic City is needed. Atlantic City and others are evaluating proposals for a new multimodal transportation center that will link up with the proposed DPM.

NEW JERSEY DEPARTMENT OF TRANSPORTATION'S POSITION

The Department supports improved rail service in the Atlantic City-Philadelphia areas. We believe that Atlantic City-Philadelphia service is a logical extension of the Northeast Corridor. Expanding rail service on the emerging Atlantic City-Philadelphia Corridor can provide additional riders on the Northeast Corridor, especially if there is direct Atlantic City service from such points as Boston, New York, Richmond and Washington. Thus, this new service can serve a feeder function similar to that now provided by the Philadelphia-Harrisburg, New York, Albany and New Haven-Hartford services. I mention these extensions to the Corridor because service on these routes are part of the permanent Amtrak route structure and we believe that Atlantic City-Philadelphia service could fit into this same category.

The Department is committed to maintaining rail service on this corridor. Evidence of this is our purchase of the right-of-way under the 900 Day Option, major rehabilitation programs and ongoing operating assistance to support rail passenger service.

The Department, however, cannot at this time devote additional resources to this Corridor. We have identified as our first priority the rehabilitation and modernization of rail service. linking high density residential areas with major employment centers. These projects, which include the electrification of the North Jersey Coast Line and the former Erie-Lackawanna lines. and the upgrade of the Raritan Valley (former CNJ), are expected to cost $560 million in

State and Federal funds. This is our first priority and the Department is having difficulty in obtaining sufficient federal funds to meet all our modernizations needs. In addition, the Department's operating assistance program for commuter rail operations is approximately $75 million per year. Therefore, it is unlikely that we can take on new, costly rail projects before we have met our current capital and operating needs.

Nevertheless, we believe that high speed rail service between Atlantic City and Philadelphia is a good idea which should be pursued actively as an adjunct service to Amtrak's intercity service. As owner of the right-of-way, we are willing to work with Amtrak, other governmental bodies or private companies to develop this emerging corridor. Therefore, we would like to extend our cooperation to you and to cordinate this new service with our commuter needs in this effort to provide improvide mass transit for Atlantic City.

Mr. FLORIO. Thank you very much.

Mr. Hughes?

Mr. HUGHES. Thank you, Mr. Chairman.

I want to thank the panel for their contributions which I think have been significant.

Mr. Thompson, welcome. This is the first time I have had the opportunity to listen to your testimony. I am very much impressed. I have heard Mr. Jamieson testify before and he is always good.

You indicate you are conservative. I know that for a fact now, because when you were able to find the Atlantic City terminal this morning, that indicates you are a good investigator. When you indicated that you believe that somebody might want to improve it, that suggests to me that you are indeed very conservative.

I have several different questions.

First of all, what do you refer to when you refer to class IV service? What does that mean?

Mr. THOMPSON. Class IV is an FRA safety classification which permits a maximum of 79 miles an hour operation for passenger equipment.

Mr. HUGHES. It does not refer to a specific type of equipment?

Mr. THOMPSON. No, sir; it refers only to the geometry of the track and its condition. Class VI is what the Northeast corridor is, and that is 110 miles an hour for passenger equipment right now.

Mr. HUGHES. In your testimony, you indicate very clearly that the 30th Street Station is the key. Obviously, there has to be a connection into 30th Street in order to develop the ridership you project?

Mr. THOMPSON. Yes, sir.

Mr. HUGHES. Am I to assume that, for instance, somebody getting on a Metroliner in Washington could stay on the train and come directly to Atlantic City under the service that you envision, or would it require a change of trains?

Mr. THOMPSON. What we are thinking about, or what I had projected right here, would be a single change at 30th Street, probably directly across the platform. With a minimum of investment, coming from the south you could also run through trains from Washington to Atlantic City without having to transfer; but I think that would be a marketing and convenience issue.

Mr. HUGHES. It is feasible?

Mr. THOMPSON. Certainly.

Mr. HUGHES. It is just a matter of marketing?

Mr. THOMPSON. Coming from the north, it is a different matter, because it is much more complicated to come in from New York to 30th Street and then make the changes and switches you would have to make to get back out without tremendous inconvenience.

Mr. HUGHES. Would it not make more sense to use the North Philadelphia Station as a place to come in from the north? Coming from Boston, for instance, would it not be feasible to come in directly into north Philadelphia and then directly on to the rights-of-way that presently exist, using the Penn Reading Seashore Line for the balance of the trip?

Mr. THOMPSON. My staff expert will help me to answer the question. The answer is that there is no really good connection when coming down from the north to get onto the track that we are talking about. This is not to say that it could not be done.

Mr. HUGHES. Is there existing right-of-way that could be upgraded to furnish that type of service?

Mr. THOMPSON. I think what would be needed is additional track work. The necessary right-of-way to establish a connection at Shore interlocking to permit direct New York-Atlantic City movements does not exist. Further, even if the right-of-way were obtained, the engineering that would be necessary to effect such a connection would be difficult and very costly.

Mr. HUGHES. During your testimony you mentioned that at least the North Philadelphia Station was considered because those who travel from the north might want to come through North Philadelphia anyway, because it would save 20 minutes?

Mr. THOMPSON. Yes; again, the emphasis on the high volume, high speed passenger service in the Northeast corridor is on the 30th Street Station, both from the north and from the south. There would not be as many trains stopping at the North Philadelphia Station as there would be at 30th Street in any case. That probably will be the main transfer for trips coming to Atlantic City.

Mr. HUGHES. Did you in your study look into the demographic changes that are taking place in other parts of south Jersey? For instance, to the north of us in Ocean County we are experiencing probably some of the greatest growth that is occurring anywhere in the country. That is even before the advent of casino gambling. Was there any effort to study the feasibility perhaps of connecting by feeder line the Ocean County area with this system?

Mr. THOMPSON. No, sir; there has not been. I think the demand estimates that we have given are probably conservative. There is no question but, once a service is in operation with the connections that we are talking about, that it could fan out to serve other parts of this area.

It would certainly be something that someone would look at.

Mr. HUGHES. Would it be your judgment as a professional that it would be advisable for the State to maintain rights-of-way in those areas that are growing very rapidly, so that eventually perhaps they will be available for that type of feeder connection?

Mr. THOMPSON. Certainly, if they are not maintained, the option will be almost impossible to reproduce.

Mr. HUGHES. I am thinking particularly of the Wildwood spur, which is just south of us. I am sure you are familiar with our area. There is a right-of-way that connects Wildwood, which is likewise a barrier island.

Is it your belief that those rights-of-way should likewise be preserved?

Mr. THOMPSON. Again, I cannot right now say that. I have not had a chance to look at that in detail, except to say if they are not preserved, they are almost impossible to reproduce later on.

Mr. HUGHES. I understand from your testimony that there might be an additional $8 million to $10 million that might be necessary to improve tracks, dependent upon conditions?

Mr. THOMPSON. Yes, sir. I think I said $5 million to $8 million for track work, assuming that the existing rail could be used. If the existing rail needs to be taken out, welded and put back in place, there probably would be another $8 million to $10 million associated with that.

Mr. HUGHES. It just depends on the type of work that has to be done on the actual track?

Mr. THOMPSON. That is correct.

Mr. HUGHES. Is the existing right-of-way extensive enough to run a dual or triple track that might be necessary?

Mr. THOMPSON. Yes; at one time it was double track all the way from Philadelphia to Atlantic City.

Mr. HUGHES. So, there is no need for additional acquisition of right-of-way?

Mr. THOMPSON. Except on the Atlantic City end, if any station work is done, and between Lindenwold and Haddenfield where the PATCO line has taken over most of the right-of-way, leaving room only for the single track that now exists.

Mr. HUGHES. Your testimony is based, I would assume, on no change of trains, as is presently the case, at Lindenwold. That would be a direct service?

Mr. THOMPSON. This would be a direct service straight through from 30th Street to Atlantic City, with no change at all.

Mr. HUGHES. There is no question that ridership would suffer significantly if indeed the present situation were to prevail, that is, riders were required to change to other means of transportation, bus or to other temporary service?

Mr. THOMPSON. The studies of rail ridership, I believe, show consistently that the ridership is very severely affected by the number of transfers that are required. Ridership is promoted if you can offer single transfer or through service.

Mr. FLORIO. Will the gentleman yield on this point?

Mr. HUGHES. I yield.

Mr. FLORIO. To say that is, in a sense, to talk about parallel service. Everything we have said is not incompatible with a higher degree of coordination with bus feeder systems. A greater utilization of the passenger service can be realized if there is an integration with bus feeder systems to service terminal points and intermediate points, is that correct?

Mr. THOMPSON. That is absolutely correct. Yes, sir.

Mr. **Hughes**. Obviously, that would be the case with short hauls, in particular?

Mr. **Thompson**. Yes.

Mr. **Hughes**. Connection of cities within a matter of 10, 15, or 20 miles in particular?

Mr. **Thompson**. Yes, sir.

Mr. **Hughes**. Thank you. I think that you have presented one of the few optimistic notes that I have heard since I have been in the Congress. I can recall 5 years ago, and I look out and see Irvin McFarland and Harry Hyde and others trying to ward off the dismantlement of the PSRL, at the time we thought it was a losing battle. Through some maneuvering and good work on the part of staff and cooperation by the Department of Transportation, we did turn that around and Conrail picked up the service on April 1.

I think eventually those who supported this line, who could see that it was going to play an important role in transportation in South Jersey, are going to be vindicated.

Mr. Jamieson, I want to thank you again for your testimony. I just have a few questions.

In essence, what you have said is that it is a good idea but we are not going to put any more money into it; is that in essence what your testimony is?

Mr. **Jamieson**. We do not have it in our current program, Congressman. One of the earlier speakers indicated a bond issue has been identified for other services elsewhere in the State and, frankly, we do not have anything in the next 4 years.

Mr. **Hughes**. I understand. I am not trying to be critical of you. I know you don't set all the policy. I know that the problems we are experiencing throughout our State are just gigantic. Anybody who visits some of the terminals in north Jersey and sees the major problems that you have experienced over the years has to be understanding of your problems.

But I represent south Jersey and there is not very much in the budget for south Jersey, as you know, and that gives me great concern because, as the chairman indicated at the very outset of this hearing, I think very eloquently, we see institutional barriers being created, once again, where we don't make the commitments early on, and it is going to be, once again, a self-fulfilling prophecy. We are going to end up with additional highways to try to attend to the traffic that will be generated, with not enough dollars being invested at this time early on in mass transit systems in the region; and we are going to inherit the same problems that exist in other parts of the country.

I understand your budgetary problems, but I jut don't see the type of commitment out of the State Department of Transportation that is essential at this point to move us toward a different route, mass transit.

I know Lou Gambicini, the Commissioner, is deeply committed to mass transit. I don't see the commitment in dollars and cents that are essential. You indicate that $2 million is going to be invested in fiscal year 1980 for this particular service. I assume that is all in operating subsidies?

Mr. **Jamieson**. Yes.

Mr. HUGHES. There is nothing for capital improvements to speak of?

Mr. JAMIESON. No; we have made some track improvement in this past year, just enough to keep the service operating.

Mr. HUGHES. Are there any moneys earmarked for capital improvements, station improvement, improvements to the track, improvements to the cars which periodically break down? I recognize you have put $200,000 into those types of capital improvements in the last couple of years, but is there anything earmarked for capital improvements in the next fiscal year?

Mr. JAMIESON. Nothing significant. We will continue to rehabilitate some of the cars which we have not been doing in the past.

Mr. HUGHES. So, when you say nothing specific, can you recall for us what type of commitment is being made by the State to try to improve the service?

Mr. JAMIESON. At the moment we have nothing in the program. We will be studying this corridor. We are watching to see how this private study comes out. We are going into this more in depth this summer. We are finishing up a financial analysis of the situation over on the PATCO line, the finances of the DRPA. We will be working with their board in the months ahead to see what can be done at that end.

I admit that we have a heavy task ahead of us, to find some additional financing programs beyond those that we have already established. The TRANSPAC program which was financed essentially by UMTA and the Port Authority of New York and New Jersey, and as the commissioner has indicated, he wants to put a major operator in south Jersey here in the months ahead.

Mr. HUGHES. How much of the Federal dollar goes into the improvements to the mass transit system, what percentage? Eighty percent?

Mr. JAMIESON. The bond issue, of course, is putting 80 percent Federal funds.

Mr. HUGHES. Eighty percent Federal funds going into the improvement of mass transit in the State. How does the State expect me—and I presume my chairman can speak for himself—to support Federal funding for programs where nothing is going into a region that is experiencing the type of growth that we have, and is not supportive of mass transit? It makes it very difficult for those of us in the Congress who are endeavoring to move it along to support measures if, in fact, areas such as mine in particular are being shortchanged.

Mr. JAMIESON. In south Jersey, for the past several decades there has been a deemphasis on rail and an emphasis on bus transit. So we have in recent years tried to improve the bus systems here, and we will be putting additional bus equipment in as well.

Mr. HUGHES. I thank you for your testimony. I am not trying to embarrass anybody, because I know what you are working with. I just hope that we do not make the same mistakes we have made for so many decades in not trying to meet the needs of an area that is going to explode in population and try to make the type of investments that we should be making now.

Mr. Jamieson, I will spare you my usual tirade about how the southern half of the State received literally nothing for the last number of years. With $400 million in capital subsidies coming to the State of New Jersey, and not a penny of any substance coming to the southern half. Even in terms of operating subsidy, we are talking about $4 million out of $30 million, nothing coming to the Lindenwold high-speed line. As such, that there had to be a 26-percent increase in fares, which certainly is diametrically opposed to what we are trying to do in terms of encouraging people to use that.

I just echo the comments of my colleague, that what we are trying to do is to avoid the problems that have grown up in the northern portion of the State by a little bit of advanced planning and a little bit of rational thought and that, of course, also entails the commitment to some moneys.

We are hopeful that the administration, and I note Commissioner Gambiacini is sensitive on these points because I have raised them on a number of occasions.

We are hoping there will be rethinking through of the priorities of the State. We are working very hard to bring moneys from the Federal Government. We are working very hard now on the windfall profits tax, to get the House conferees to push for a position that will provide for some $1 billion of those moneys to be set aside for rail programs, a portion of it for rail passenger programs, for the development of corridors such as the one we are talking about now.

I am aware of the limitations, the confines within which you work. I would hope that there would be cooperation; I suspect there will be; particularly in dealing with the institutional problems. Dollars are always a problem.

There are things that the State can do to provide for the expediting of some of the obstacles or the expediting of procedures necessary to overcome the obstacles which provide for greater exploring of alternatives such as the one we are talking about today.

Mr. Thompson, I would like to ask a couple of questions, particularly with regard to the connection into the 30th Street Station.

What percentage of the costs that you have thrown out, and by my addition as you were going you were adding $5 million to $8 million, and then $10; it was something like $30 million to $40 million by the time you got through any particular scenario; what amount of money would be required to be expended for the purpose of the connection into the Northeast corridor?

Is there any physical work that has to be done of any substance that would require any substantial amount of money?

Mr. THOMPSON. From the 30th Street Station to Shore Interlocking—

Mr. FLORIO. That is the Delair Bridge?

Mr. THOMPSON. No; Shore Interlocking is where you leave the Northeast corridor enroute over the Delair Bridge. The connection from 30th Street Station to Shore, I think, probably would be handled by the Northeast corridor project. I don't think we have any allowance or extra money there. Coming out from there to Lindenwold, I am sure there is a fair amount of the moneys associated with that. I don't have the answer broken down that way. The estimates we have provided do not include any money for the Northeast corridor segment between 30th Street Station and Shore

Interlocking. There is only minor expense anticipated from Shore across the Delair Bridge to Jersey Interlocking. From Jersey through Haddonfield to Lindenwold there would be considerable expense, including some $2.5 million in singaling costs alone, plus necessary track rehabilitation costs to restore this segment to service.

Mr. **Thompson**. I suspect a fair amount of the money is associated with that part of the connection, because a lot of that line is not now in operation.

Mr. **Florio**. One of the suggestions that has been made, and I don't know if you have had an opportunity to give it much detailed study, is that the New York connection might be better serviced through Winslow Junction.

Mr. **Thompson**. Yes, sir.

Mr. **Florio**. It is a fairly direct right-of-way that runs that way. Is that at all feasible? Is that something that is cost effective?

Mr. **Thompson**. I would suspect that it is not, because if this is the old Jersey Central connection that comes down, the operating speeds would be so much slower than they will over the Northeast corridor that the schedule probably would always be faster to come by what is a less direct route but probably a faster and better route all the way on the Northeast corridor to either North Philadelphia or 30th Street and then go back.

Mr. **Florio**. It is my understanding that at one point was regarded as 10-mile-an-hour track.

Mr. **Thompson**. That would not surprise me. That would be class I track.

Mr. **Florio**. There are proposals, Mr. Thompson, to have the private sector deal with this subject. Are you familiar with any of the proposals that have been put forth?

Mr. **Thompson**. Not in detail. I have seen the testimony of Mr. Eckelberry; I have discussed this briefly with the representatives of the CGE. I have not had a chance to review their economic projections.

I would not be surprised, given the levels of ridership that are being projected here, if it is a commercial proposition.

Mr. **Florio**. What would your considerations be in designing a plan to link the type of high-speed line service that is being talked about to the Northeast corridor, were this to be done by some other entity, some nongovernmental entity?

Mr. **Thompson**. There is a well-established mechanism for that. If the trains are being operated by someone other than Amtrak, there would be a trackage fee or trackage right paid for the use of the line from 30th Street to Shore interlocking and then after that it would be off the corridor and would be an entirely separate arrangement.

Mr. **Florio**. You do that on a regular basis?

Mr. **Thompson**. There is nothing unusual about that. Conrail uses Amtrak's Northeast corridor now in a very major way. The Providence & Worcester Railroad is using that around Providence.

One would have to be careful to analyze the capacity implications of the kind of riderships that we are talking about, say, by 1990 or the year 2000. There might be a capacity cost associated with that, and the number of trains that have been suggested at that time. That would have to be assessed separately.

Mr. FLORIO. Inasmuch as there has been discussion that Amtrak should, and perhaps in the near future will, be the lead agency with regard to development of the Northeast corridor, do you think it would be appropriate for Amtrak to consider being the lead agency in the coordination necessary to develop this corridor? We already know there are three or four public entities that are involved and their cooperation would be necessary, regardless of whether this would be a public undertaking or a private undertaking. Do you feel that Amtrak has the capability, the inclination, and the resources to play a more active role in coordinating something of this sort?

Mr. THOMPSON. I would feel more comfortable having President Boyd answer that question. Clearly, Amtrak is one of the options that ought to be explored in detail. Clearly, they could provide this service. Certainly, they ought to be part of the discussion.

Mr. FLORIO. Mr. Jamieson, with regard to the question of the private initiative that is being demonstrated, do you feel that the Department would be more comfortable talking about the granting of trackage rights over the lines that are currently held by the State, or would be some interest in conveying the rights-of-way?

Mr. JAMIESON. We have talked with the CGE people with respect to considering trackage rights at this point, but not conveying it.

Mr. FLORIO. The preference would be to retain title but to be in a position to grant trackage rights?

Mr. JAMIESON. Yes.

Mr. FLORIO. If I could ask—and I will ask the representatives of CGE—what was your impression as to whether that approach was acceptable or not?

Mr. JAMIESON. Our discussions have just been very preliminary. We have offered the information readily available and we are expecting to hear back from them within this next month as to what their specific proposal would be.

At that time, I think it would be appropriate to get into the types of rights they would need.

Mr. FLORIO. In conjunction with our previous discussion with regard to resources, in the event that resources, particularly UMTA funding, were made available to the State in sufficient amounts, do you regard this type of mass transportation proposal as eligible, other things being equal, to receive operating subsidies that might be available to the State?

Mr. JAMIESON. Mr. Chairman, we are using some of the UMTA section 533 funds right now that are available for fixed rail and fixed guide supporting the PRSL. That has been a point of contention of the PLA people. Until you get through analyzing the bridge toll structure, we will spend it on the PRSL to keep it alive.

Mr. FLORIO. There is a debate going on now in the halls of Congress with regard to differences between commuter operations and intercity operations. There is some question as to commuter operations provided eligible for UMTA moneys. We are in the process in Congress of trying to blend the two definitions in order to provide the States with discretion to use those moneys regardless of which category, commuter or intercity, applies, as long as essentially the same type of service is being provided.

I ask that you convey to Commissioner Gambiacini that we would appreciate his thoughts on increasing the use of the operating subsidy moneys for programs such as this, regardless of whether a public agency or a private agency is serving the public purpose by providing passenger transportation.

Mr. JAMIESON. Yes, sir.

Mr. FLORIO. Gentlemen, we appreciate your cooperation. We thank you for your testimony.

We are going to take a 10-minute break, out of deference to our stenographer.

[Brief recess.]

Mr. FLORIO. The subcommittee will come to order.

Our next panel is made up of Mr. William J. Downey, executive director, Atlantic City Casino Hotel Association; Mr. G. Gerald Kauper, president of the Atlantic City Convention Bureau; Mr. Louis Dalberth, executive director, Southern New Jersey Development Council; and William H. Eames, executive director, Greater Atlantic City Chamber of Commerce.

Gentlemen, we welcome you to the committee. I ask you to proceed. Your statements will be made part of the record.

STATEMENTS OF WILLIAM J. DOWNEY, EXECUTIVE DIRECTOR, ATLANTIC CITY CASINO HOTEL ASSOCIATION; G. GERARD KAUPER, PRESIDENT, ATLANTIC CITY CONVENTION AND VISITORS BUREAU; LOUIS J. DALBERTH, DIRECTOR, SOUTHERN NEW JERSEY DEVELOPMENT COUNCIL; AND WILLIAM H. EAMES, EXECUTIVE DIRECTOR, GREATER ATLANTIC CITY CHAMBER OF COMMERCE

Mr. DOWNEY. Mr. Chairman and Congressman Hughes, first of all, we want to express to you our appreciation for the opportunity to appear before you and the manifestation of concern that you have in what we think in the industry is the No. 1 priority or the most critical element that we have established by way of our own hierarchy.

Our reason for this evaluation resides, I think, in the following facts: Some of these have already been alluded to by previous speakers but are more spelled out in my written testimony.

We think that within this year and the next calendar year we will exhaust our labor market in the Atlantic County MSMA area. For that reason, we believe that the restoration of rail service between metropolitan Philadelphia and Atlantic City will go a long way to open up new labor markets, especially in areas such as yours, Mr. Chairman, where there is a high incidence of unemployment.

We have addressed this matter, I can point out to you parenthetically, with Mayor Errechetti up in Camden and with his city solicitor, Martin McKernan, and they are totally enthusiastic in support of our efforts in this regard.

Second, and as important is the area of housing. We feel the restoration of rail service would open up a number of new housing markets in the south Jersey County, again in your particualr area down in Cape May, Ocean, Gloucester and Salem and Camden.

This fact is supported by the ERA study where they say that the same markets, the same counties that I just enunciated, will provide a measure of housing relief for our own immediate situation.

Third, and the life blood of the tourist industry is the visitation. We feel that with the projections of ERA and Gannett-Fleming, we are talking in 1990 in the realm of 17 to 22 million visitors a year, and to put that in some perspective, we are talking of a visitation there in excess of what the New York City visitation is, that this would provide an alternate means of transportation; it would provide a convenient means of transportation, especially as it is related to the connection between the Philadelphia International Airport with 30th Street and the present tunnel connection which is underway between the Reading terminal at 11th and Market with the 30th Street terminus.

The energy conservation or the energy factor has been touched on before. I don't think that needs any further elaboration.

In terms of private incentives, and I am trying to run through this briefly, we would not rule out at this time the possibility of subsidy on the private sector, at least from the employer-employee relationship, so that the employer or the industry might look to that area of subsidy to the ridership.

Mr. Florio. What does that mean?

Mr. Downey. What that means, concretely, is that if a given employer or one of our members has a group of people coming from a given area, that we might look to the subsidy for that individual ridership.

Mr. Florio. Community discount system?

Mr. Downey. Yes, sir.

With respect to the incentives of local government, in one of our discussions with the mayor of Camden and his city solicitor they were enthusiastic enough to suggest that if they could have that route somewhere through Camden directly—I am talking about the bed of the old PRSL—to North Philadelphia Station, they would entertain construction of parking pads, structured parking and indeed a transportation terminus in connection with that development.

The last item that you touched upon was the intermodal connection. That has been highlighted already, I believe, at least at our terminus it would be connected with the downtown people mover system about which I am sure you will hear more in that connection.

On the other terminus in Philadelphia, we have already mentioned the connection between the Philadelphia International Airport and the Market Street East Tunnel through the Reading Terminal.

That will conclude my remarks.

[Mr. Downey's prepared statement follows:]

Testimony of William J. Downey, Executive Director
Atlantic City Casino Hotel Association

TO: Subcommittee on Transportation and Commerce
United States House of Representatives
February 14, 1980

Thank you very much for your kind invitation to present the Atlantic City Casino Hotel Association's views regarding improved rail service between Atlantic City and Philadelphia.

The Association would wholeheartedly endorse any plan to upgrade and improve the present Seashore Line.

We believe that all mass transit improvements are needed and welcome and that improving and upgrading the existing rail line is particularly necessary to the success of the redevelopment effort now underway in Atlantic City.

There are a number of important benefits to be derived by a Philadelphia to Atlantic City rail corridor.

The first benefit would be providing the shore visitor an alternate transportation mode to the automobile. A recent study by Economic Research Associates projects the number of visitors to Atlantic City rising from about 7.5 million in 1980, to about 18½ million in 1985 and almost 25 million in 1990. Given the need to conserve energy, the limited means of access to Atlantic City and the desire by many to limit parking in and around the city, it is clear that an alternative to the automobile is critical to the future of Atlantic City. The transportation alternative that would best provide visitors with the necessary comfort and convenience would be rail. Instituted and marketed property, the potential demand by visitors alone, based on ERA's projections, would be staggering.

The second benefit, which would also speak to demand, would be the ability to extend the limits of the casino-hotel's labor market. Presently, the three operating casino-hotels employ over 13,000 people. Each additional casino-hotel will employ between 3,500 to 4,000 persons. Again, using information from the Economic Research Associates' report, it is expected that about 200,000 new jobs will be created by 1990, directly or indirectly attributible to casino gaming. The existing labor pool close to Atlantic City is almost exhausted. We believe that by the end of 1980, that labor pool will be totally employed. We must look to other labor pools where there are concentrations of population within reasonable commutting distance; that distance becomes greater if a readily available, comfortable, efficient and reliable means of mass transit were available. To us, the availability of the rail corridor would allow commuters from Camden, Glouchester and Burlington Counties and even further out in Atlantic County, the accessability to work in and around Atlantic City. With the year-round 18-20 hour operation of the tourist and casino-hotel industry now becoming standard operating procedure, it would seem that the traditional peaks and valleys of normal commutter operation would be smoothed. Should 24-hour gaming become a reality, the effective use of the commutter equipment would be even more significant.

The third benefit we would like to speak to would be housing. We feel certain that areas of housing growth would occur adjacent to and around the stations. The availability of improved and relatively inexpensive land increases as you move away from Atlantic City. The ability to live further away from Atlantic County could also have the effect of bringing down somewhat the skyrocketing prices for housing in areas close-by.

There are other benefits that must be mentioned. As I stated earlier, the rail corridor is critical to the success of redevelopment in Atlantic City. This success is already rippling out to surrounding towns and counties. The State of New Jersey has also realized signicant tax returns. To date, Atlantic City has tripled its tax base since the gaming referendum passed. Atlantic County has also seen a significant increase in its ratable base. Since Resorts International opened in May, 1978, the state has realized almost $50 million from the gross win tax alone. Each casino-hotel generates about $1 million in personal income tax. We have not calculated the amount of corporate tax, but at the newly enacted 9%, it is substantial.

Obviously, we believe that given all the positive benefits to be derived from the rail corridor, the State has an important role to play in bringing an upgraded and improved rail service to

South Jersey. We would ask that the State DOT look seriously at any and all proposals to improve the existing rail line owned by the State. In the absence of any acceptable proposals, we would ask that the state DOT undertake their own studies to determine what is and is not feasible and then take all necessary steps to implement a program of improved service. This would include upgrading and extending the Seashore Line into 30th Street Station in Philadelphia.

We recognize that the State is presently subsidizing the existing rail operation and that the susidy per rider is substantial. We do not believe, however, that the per rider susidy in any way is indicative of future subsidies since the existing line presently is inconvenient, uncomfortable and subject to frequent delays and breakdowns. While some susidy may be initially necessary, we cannot believe that with the potential demand for visitors and commuters that were earlier discussed, the susidy per rider, if needed, would at any time approach anywhere near present levels. In fact, they would be substantially less.

The potential for financial support of the rail corridor might very well be something the casino-hotel industry would consider; depending, of course, on a number of variables.

The communities or even developers along the corridor, along with the State, could assist by providing well-lit parking areas and station facilites, along with necessary road improvements.

I am certain that cooperation between local, county and state government as well as employers in South Jersey can result in the kind of rail service that is necessary, benefiting all those concerned.

As a last point, we recognize that simply improving the service to and from Philadelphia is not enough. We have, along with many others in Atlantic City, been involved in the study of a Downtown People Mover, as well as other ways to comfortably and conveniently transport visitors and employees once they leave their primary means of transport. The concept of a Transportation Center in Atlantic City is one that we support. While no perfect solution to that issue has been arrived at, we are confident that an acceptable answer will be found.

In Philadelphia, as we understand it, 30th Street Station will serve as a transportation hub. The main line of Amtrack is met by a subway system serving a large part of the City. It will be joined by rail service linking the Airport to the system. To this hub should be direct rail service to Atlantic City.

The birth pains and growth pains of the City's redevelopment effort and the subsequent South Jersey metamorphasis is clearly evident. Not so evident are those pieces to the puzzle that will still those pains and take that metamorphasis to maturity. We are certain that one of those pieces to the puzzle is the rail corridor. We will feel much more comfortable when that piece is in place.

Mr. **Florio**. Thank you very much.
Mr. Kauper.

STATEMENT OF G. GERARD KAUPER

Mr. **Kauper**. Mr. Chairman and Congressman Hughes, thank you for hearing my remarks today which will be made from my perspective as chief salaried executive of the Atlantic City Convention & Visitors Bureau, a private, nonprofit organization responsible for the sales and servicing of convention and group business for the hotels and motels of Atlantic City and the related hospitality industry of Atlantic City the surrounding area.

I have also accepted the position of director of the newly formed PAC Corp., a subsidiary of Compagnie Generale d'Electricite, set up for the purpose of developing the Philadelphia-Atlantic City Passenger Rail Corridor.

I totally support your call for the development of a modern and effective mass transit link between Philadelphia Airport-Atlantic City Municipal Airport at Pomona and downtown Atlantic City.

Over the past 2 years, our bureau has placed both tentative and definite holds on dates for over $2 billion of convention business for the years between 1981 and 1990. Over 70 percent of that business—which represents close to 600,000 delegates per year—is national in origin. The large majority of these delegates rely upon air transportation to reach their convention destination and require quick, comfortable and reasonably priced transportation from airport to downtown.

As the Atlantic City casino experiment continues, we will doubtless see concurrent improvement and expansion of Atlantic City Municipal Airport for commercial operations as well as at Bader Field for general aviation; but there is no doubt in my mind that we will continue to depend upon Philadelphia International Airport in some measure throughout this coming decade and an effective transportation link to Atlantic City will be necessary.

The impact of Atlantic City as a brand new U.S destination city to the European and Japanese travel market is already being felt.

Our bureau has in the past year assisted in some way over 50 foreign travel representatives making on-site visitations to Atlantic City in preparation for bringing future business. In all cases, the customer expressed great interest in developing packages, including Atlantic City with the major eastern gateway cities of New York, Washington, D.C., and Philadelphia.

The government and business sectors of both Atlantic City and Philadelphia have begun a mutual effort toward the development of group business that would share the culture of Philadelphia with the excitement of Atlantic City.

There is no question but that an effective surface mass transport system would enhance such an effort, as well as result in a volume of domestic and foreign tourists that would unto itself become a reliably predictable and sustaining element of such a system.

I will be pleased to cooperate in every appropriate way with your continuing efforts to develop a broad perspective of the need for the development of the corridor.

Mr. **Florio.** Thank you very much.

Mr. Dalberth.

STATEMENT OF LOUIS J. DALBERTH

Mr. **Dalberth.** Mr. Chairman and Congressman Hughes, my name is Louis Dalberth, and I am the director of the Southern New Jersey Development Council.

I think it would be well for me to explain very briefly what the Southern New Jersey Development Council is.

We are a nonprofit corporation which has been in existence over 29 years. We are comprised of approximately 1,000 members who employ 376,000 persons, of whom 126,000 are employed in manufacturing. Our area of operation is the southern six counties of the State of New Jersey. This takes in Atlantic, Camden, Cape May, Cumberland, Gloucester and Salem Counties—over 3,000 square miles.

In 1975 the council was responsible for getting matching funds from Atlantic City, Atlantic County, and Cape May County to prepare a study by the Delaware Valley Regional Planning Commission for the upgrading of the seashore train service. Funds were matched by the U.S. Urban Mass Transportation Administration.

The improvements studied by DVRPC in projecting ridership include electrification, new stations, and park-and-ride lots at major highway intersections, new electrified rail cars, higher speeds, hourly service and special fares to attract the daily commuter and seasonal user as well as senior citizens. A major change would be extension of train service from its present Lindenwold terminus over the Delair Railroad Bridge to 30th Street Station and Philadelphia International Airport via the airport rail line.

A key feature of the service would be the direct interchange with Amtrak Metroliner service between New York and Washington and other Amtrak eastern seaboard trains. This new service would allow conventioneers, tourists, and visitors to the shore resorts to arrive by train without the inconvenience of hauling luggage, buying separate tickets and changing to buses.

The through service would allow vacationers from Canada to arrive in Atlantic and Cape May Counties via Amtrak's Montrealer. Vacationers coming from other points would also find the proposed service attractive, since most Amtrak Eastern Seaboard trains serve 30th Street Station in Philadelphia. Also a direct link to all national and international flights in and out of the Philadelphia Airport would be possible via the airport high speed line.

SUMMARY OF THE ATLANTIC CITY LINE RIDERSHIP AND REVENUE STUDY—1976

The DVRPC Atlantic City line report described several factors which provide the 2 million maximum annual rider potential for the Atlantic City line, as follows:

One. The Atlantic City area gets 45 percent of the State's $2.5 billion travel and resort business each year.

Two. Atlantic City is second only to Chicago in attracting large conventions—$90 million and 500,000 conventioneers last year. In 1979, Atlantic City was third in attracting large conventions and the revenue remained basically the same.

Three. Atlantic City has the largest convention and exposition hall in the East, coupled with 10,000 motel and hotel rooms. This changed to the second largest convention and exposition hall with a decrease to 6,000 hotel rooms because of the demolition of the existing rooms to make way for the new casino-hotel rooms. By the mid-1980's there will be 20,000 new rooms and a new megastructure is proposed which will be the largest in the country.

Four. Atlantic County and the Philadelphia metropolitan region are both growing steadily.

Five. The 23 million personal trips made between the two areas last year will increase to 27 to 30 million annual trips within 10 years. This was in 1976. Most now have to go by bus or auto. With the advent of casino gaming, the Economic Research Associates report estimates 36.4 million personal trips annually in 1985 and by 1990 there will be 49.62 million personal trips.

Six. One-third of the population of the entire U.S. resides within 500 miles of the Philadelphia air and rail transportation hub.

The report suggests that the improved Atlantic City line would be a major step in the Philadelphia area toward achieving the Nation's goals of reduced dependence on automobile transportation, unified public transportation and reduced air pollution.

The proposed rail line would also aid the goals of energy conservation and a better social, economic and environmental pattern of future land development.

Altogether, nine different railroad systems were proposed for analysis. At its maximum level of improvement the proposed extension would route Atlantic City trains along the existing rail line from Lindenwold to Haddonfield, the Garden State Race Track and Pennsauken. It would cross the Delaware River on the existing Penn Central Railroad bridge at Delair and join the Penn Central main line at Frankford, which must now go by bus or auto.

Trains would then continue to North Philadelphia Station, 30th Street and then use the tracks of the airport speed line.

New park-and-ride stations were proposed at the Garden State Parkway, the U.S. 206 bypass near Hammonton, Winslow Junction, Woodcrest—I-295, the Garden State Race Track and at U.S. 130 in Pennsauken.

A new station was also studied near Frankford Junction to serve Frankford el riders and park-and-riders from I-95, the Delaware Expressway, in North Philadelphia.

Also studied was the ridership impact of an improved Atlantic City station. Studies are now being done by Gannett-Fleming/Lisiewski Tarquini to relocate the train station to the existing bus terminus at Arctic and Arkansas Avenues and closing off Arkansas Avenue between Arctic and Baltic Avenues to make a transportation center.

I might add here that at yesterday's meeting if the steering committee, had not voted and accepted the consultants studies up to date, and also approved the continuation of the implementation, we would have been set back another year. I am happy to report that this was done, and voted in, so that we can continue on, so that we can have the transportation connections for what we are talking about here today.

Each of these stations would add a large number of regular riders to the line if the proposed improvements in service were made.

The present Atlantic City line has very infrequent service—three trains a day each way, poor station locations and a noncompetitive fare structure. The New Jersey Transit Corp. reported that in 1976 there were 456 personal trips daily and 111,700 annually. In 1978, 450 personal trips per day and 114,700 annually, and in 1979 there were 426 personal trips per day and 106,000 annually.

In addition, the study noted that two-thirds of the potential ridership on the proposed Atlantic City rail line would be from stations between Woodcrest and Philadelphia International Airport. Approximately one-third of the daily ridership would make a trip between the seashore areas and Philadelphia. The addition of local users and long-distance users would make the Philadelphia to Atlantic City rail service much more practical than the present service, which largely serves only those living in seashore areas.

Special ridership generators, such as casino gaming and activities related to offshore oil drilling, however, were not considered in the study. These would add to the popularity of an improved line. And we can't forget that we still have oil rigs out there drilling and we still are optimistic that we will have significant discovery.

New electric cars would make the entire 76-mile run from the airport to Atlantic City in about 85 minutes, with stops. This would be competitive with present bus, highway and air shuttle speeds, with a distinct advantage during summer weekends when highway traffic is often congested.

Another major advantage of the new service would come from the park-and-ride lots within 30 miles of Philadelphia.

While no decision has been made to seek Federal funds for this project at present, many citizen groups, elected officials and planners have supported the service, particularly those from the seashore areas.

All other proposals for rail transit service in southern New Jersey will take several years to build and be enormously costly, whereas, this proposal uses existing lines and could be put into operation relatively soon, at a fraction of the cost of the other proposals.

The upgrading of the existing PRSL service could be accomplished more easily than construction of an entirely new rapid transit line to Atlantic City, as proposed in recent years.

The present right-of-way to the shore areas was built for 100-mile-per-hour operation; it is still in relatively good condition. Present trains operate at 75 miles per hour.

The outlook for improved rail passenger services is now optimistic as a result of high gasoline prices, the growing cost of new automobiles and at 55-mile-per-hour speed limit on the Atlantic City Expressway.

Added to these is the influx of people that we are getting through our casinos. Each casino is averaging during the off season 15,000 to 20,000 per day and during the high season 35,000 per day.

It is my recommendation that this line be put up for bid and then run by private enterprise. The New Jersey Transit Corp. which runs this line for the New Jersey Department of Transportation stated that this would be agreeable with them. I am also of the opinion that there will be companies who want to take the line over.

You heard Deputy Commissioner Jamieson state that there are no dollars available to do anything on this line, and if there were, I would not be opposed to Amtrak taking over or to the New Jersey DOT putting on the SPRV-2000 diesel trains to do the job, anything to get the line going.

As you know, Congressmen, we have worked at this line for a lot of years. A report was done in 1975-76. We fought to save the line and hopefully we can make it work now for the reasons that we worked those years back.

Thank you very much for this opportunity.

Mr. FLORIO. Mr. Eames?

STATEMENT OF WILLIAM H. EAMES

Mr. EAMES. The first question you posed was the economic and other benefits the region enjoys, and they have been dealt with by a number of groups in great detail, so I won't summarize the points of overlap that we have.

Not to be overlooked, however, is the potential of an improved rail line serving as a catalyst for further development in this area, which would not necessarily be exclusively casino oriented.

Mr. Dalberth has touched on the offshore oil exploration phase. Also, by providing rail linkage and transit terminal linkage to the other areas, we might also provide the opportunity for further industrial development of light industry in the area, which has suffered problems with the closing down of trunk lines into the area, and with the suggestion of that closing.

The immediate boost also in ridership between Philadelphia and Atlantic City—both sides are working on joint promotional programs to bring people who are conventioning in Atlantic City to side trips to Philadelphia, as well as visitors to Philadelphia on side trips to Atlantic City. There is no easy way for that to be done at the present time. A rail link that would be relatively high speed and high in quality could enjoy increased ridership as part of that program.

It was pointed out by a number of people who have spoken earlier—and we concur—that the increase of rail transit services could significantly decrease the daily automobile traffic to and from Atlantic City, although I don't think it would ever get to the point where automobiles will not be the prime resource.

We are much better connected through automobile facilities than we are by rail or the developing airline connections that we see interest in also.

We had disruptions in gasoline fuel supply last summer. The potential for disruptions exist in the future. If that does occur, we do have to fall back on the alternate means we have. At present we do not have any alternate means, significant means, of bringing people in other than by using automobiles or charter buses.

Rail service in that capacity is extremely important to our area. The use for commuter traffic by employees to Atlantic City cannot be stressed enough. Mr. Downey talked about that. We are running out of our market supply of labor. By providing rail traffic from Philadelphia and surrounding areas, we would increase the opportunity to bring employees in from those areas, and thus help reduce unemployment in their areas, as well as reduce the strain on housing in our area at the moment.

We are facing a housing shortage in the Atlantic City County area very importantly due to the Pinelands moratorium. We need alternative ways to bring people to our area and to help those employees who are hired by the casinos to find homes where they are available, also promoting residential development along that rail corridor. So that rail service, we feel, could be very beneficial in those capacities.

The potential demand by tourists has been dealt with. There are detailed studies which go into the numerical numbers of people, so I won't deal with that too much. We are very glad to see the number of organizations participating in the hearing that we have here today.

Statistics which are available show very dramatic and unparalled growth in the number of visits to this area, both by users of general aviation and the bus system. We have had some discussion of the number of charter buses involved, recently 80 buses a day for one casino; during last summer, 1,600 buses a week. That is really with only one and a half, the beginnings of two, casinos operational.

I do point out that the airlines are looking at jet service because they feel the numbers verify and justify that, and those same numbers mean a lot to the potential for rail service.

The ERA report has been discussed. I trust you have a copy of that, or will have a copy.

The question of ways for State and local governments to participate in the upgrading of the corridor have been dealt with by a number of people. I will stress that the feeling of the chamber of commerce is that private enterprise is the way to go if that option is available. It can be done generally faster and more effectively and particularly with great emphasis on the comfort of the passenger.

If we are trying to compete with luxury buses and the options or flexibility that the rider has with his automobile, it is important that the rail service be of high caliber, be easy to use and provide the amenities that ridership will be looking for. That is particularly important if we hope to use any kind of rail service to service our convention activities.

Incentives to encourage ridership have been talked about. There are many means available, but among those which are going to be most beneficial are those that are not being imposed by the Government. They include the escalation of the cost of gasoline, the availability of fuel supply.

In our case, the quantity of housing available is an incentive to use rail service. Limited parking available in our area at the moment, which will become more of a problem, will also encourage rail use, as will the potential to create support jobs for industries which will locate here now that they have a rail system to help them receive raw materials and ship out finished materials.

Atlantic City has not developed at the same pace that the Northeast megalopolis corridor has because it is off the beaten track. If you look at the population sutdies, you can see a definite drop as you come onto the peninsula, as opposed to the New York-Philadelphia run.

By providing increased transportation, improved automobile as well as rail and air traffic, we bring the potential for industry, private business firms, for visitors to get to us, and as a result we will see that kind of growth, and, I might say, if we can solve some of those moratorium problems we have.

The use of ride-sharing programs which are now being encouraged by the State Department of Transportation and the State Department of Energy can mesh very nicely with a rail service use, particularly in distant areas where we might use ride-sharing programs to bring people to a rail terminal, as well as ride sharing programs to bring employees, for example, from the train to the individual employment site.

Finally, the intermodal coordination has been discussed by Gannet-Fleming. It is being seriously examined by the various agencies in Atlantic City, particularly, I would stress, with the concept of our transportation center that is on display behind me.

We are talking about interconnection with virtually all modes of transportation, very heavy connection with the bus routes, both intercity and intracity, as well as rail service, and providing the terminals which can handle heavy rail from Philadelphia, both in a commuter vein through the south Jersey area and a special vein from the major Amtrak corridors.

I think it is important also for the other sections along the rail link to be tied in with bus service and with local ties to rail service in the area. Also, I think it should be pointed out that this area has never had a direct route to the New York metropolitan area and any effort that can be undertaken to provide direct rail connection quickly, without many side trips and much switching, would be beneficial to the entire development of the area, as well as to the efficiency and cost/benefit of operating the rail service.

[Testimony resumes on p. 330.]

[Mr. Eames' prepared statement follows:]

GREATER
THE START OF SOMETHING NEW
Atlantic City
CHAMBER OF COMMERCE

10 Central Pier, Atlantic City, N.J. 08401
(609) 345-2251 or 345-5600

TESTIMONY

Before the

SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE

of the

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

of the

House of Representatives

* * *

February 14, 1980

at

Atlantic City, New Jersey

* * *

SUBJECT:

INTERCITY RAIL PASSENGER SERVICE
BETWEEN ATLANTIC CITY, N.J. and PHILADELPHIA, Pa.

* * *

PRESENTOR:

William H. Eames, Executive Director
Greater Atlantic City Chamber of Commerce
10 Central Pier, Atlantic City, N.J. 08401
(609) 345-5600

Member of: Chamber of Commerce of the United States • New Jersey Travel & Resort Association • New Jersey Hospitality & Tourism Federation • New Jersey State Chamber of Commerce • Southern New Jersey Development Council

PART I

DESCRIBE THE ECONOMIC AND OTHER BENEFITS THE REGION WOULD ENJOY FROM AN ATLANTIC CITY - PHILADELPHIA [RAIL] CORRIDOR PROJECT.

The City of Atlantic City, as well as the County of Atlantic, are basically isolated areas. From the early 1850's when Atlantic City and Absecon Island were first settled until today, the area remains basically separated from the growth and population concentration which characterizes the Washington-to-Boston megolopolis.

A simple examination of any population map of the northeast and Middle Atlantic States areas will show why. Atlantic City, simply, is "off the beaten track" for commerce and trade.

Historically, the area has been used for "get-away vacations", and as a convention city.

Improvement of rail service to link Atlantic City with the City of Philadelphia, and with the Northeast Rail Corridor, would augment the area's highway connections with mass transportation.

In summary terms, the benefits of this would be:

- Connection to the main megolopolis population corridor
- Easy movement of people to and from Atlantic City
- The potential to serve and possibly act as a catalyst for development of light industry along the rail line
- An immediate boost in the efforts between Atlantic City and Philadelphia to cross-promote these sister cities as visitor and convention sites
- The opportunity to decrease daily automobile traffic to and from Atlantic City, as well as to reduce to a minor degree charter bus traffic to and fro
- An alternative means of travel in the event of future disruptions of the gasoline supply
- An optional method for delivery of freight and supplies (provided adequate stations and yards were developed) to Atlantic City
- A catalytic effect for decreasing commuter traffic to Atlantic City by employees (due to the construction moratorium in the Pinelands), and an immediate easing of the present housing shortage
- Promote residential development (if allowed) along the rail corridor

PART II

WHAT IS THE POTENTIAL DEMAND BY TOURISTS AND COMMUTERS FOR IMPROVED SERVICE ON THIS ROUTE?

The Greater Atlantic City Chamber of Commerce has not conducted detailed studies of the demand for service along this route, so we can only comment on this question in a speculative manner, based upon our knowledge of the area.

It is important to note that Atlantic City was founded, as a vacation resort, by an industrialist who brought people to Absecon Island by building a railroad across the wetlands and onto this barrier island. Historical commentaries of the early 1900's speak of 200 trains a day arriving and departing from Atlantic City.

It must be recognized that American transportation has changed radically during the intervening years, but one must also theorize about what development might have occured in this area concurrent with the growth of the Philadelphia-New York corridor had this area not been "cut off" from the major transportation systems.

Attached to this testimony is a partial list of organizations and agencies which have more details and access to studies which have been done on this subject, which we feel ought to be contacted as part of this hearing. They can comment with specific knowledge on various aspects of need for better rail connections in such

(more)

areas as Conventions, for example.

At present, statistics which are available show very dramatic, and virtually unparalleled growth in the number of visits to this area by both general aviation and automobiles. What limited commercial jet service there is also shows increasing interest, as does the monitoring activities by a number of major commercial airlines.

These statistics, together with development projects underway and existing evidence from similar resort areas gives every indication of tremendous growth in the need for access, by all means, to this area.

Economics Research Associates, the McLean, Virginia, research firm which has done most of the economic projections for Atlantic City, forecasts a demand by 24.8 million visitors annually by 1990. This is an adjusted projection from their 1977 forecast demand by an additional 6.5 million persons. Whereas E.R.A. projected 12 casinos would be operational by 1990 in their 1977 studies, they now project that 26 will be in operation.

I might point out that E.R.A.'s 1977 projects have been exceeded in practice in every particular -- in most cases by two-to-three times. We do not believe their new projections, released in September of 1979, will be exceeded...but we do think they are reasonably accurate, based on the data available when they were prepared.

If these projections are compared with any other resort location in the United States, it will rapidly be seen that there should be very strong demand for a high performance rail link between Atlantic City and the northeast rail corridor.

[more]

We wish to emphasize again our strong belief that there is very significant potential demand for increased and improved rail service between Philadelphia and Atlantic City, and to stress our feeling that the Subcommittee on Transportation and Commerce should immediately contact and invite testimony in this regard from those organizations and agencies we have listed, as well as others which we were not able to list in the short time allowed us between notice of the specific of this hearing and our testimony.

AGENCIES WITH ADDITIONAL INFORMATION AND STATISTICS ON RAIL NEED:

1. Southern New Jersey Development Council (609) 344-4163
2. Atlantic County Division of Economic Development (609) 345-6700
3. Delaware Valley Regional Planning Commission
4. The Penjerdel Corporation
5. The Atlantic City Convention & Visitor's Bureau (609) 345-7536
6. The office of Congressman William J. Hughes
7. The Atlantic City Urban Area Transportation Study (A.C.U.A.T.S.)
8. The office of Atlantic County Executive Charles Worthington (609) 345-6700
9. The New Jersey Department of Transportation
10. The Atlantic City Casino Hotel Association (609) 347-0800
11. The Atlantic City Hotel-Motel Association
12. The Atlantic City Transportation Steering Committee (609) 347-5458
13. Atlantic City Public Safety Commissioner Edwin Roth (609) 347-5600
14. The Alliance of Atlantic County Chambers of Commerce (609) 345-5600
15. The governing bodies of the municipalities and counties through which the rail right-of-way passes.
16. The City of Philadelphia
17. The Shore-Train Riders' Club and the Seashore-Train Coalition, (215) 525-1129 (Mr. Harry Hyde Jr.)
18. The Delaware River Port Authority (DRPA)

NOTE: Other organizations and agencies may also have appropriate information, but could not be identified on short notice. Addresses and contacts for any or all of the above are available from the Greater Atlantic City Chamber of Commerce at (609) 345-5600.

PART III

IN WHAT WAYS WOULD IT BE APPROPRIATE FOR STATE AND LOCAL GOVERNMENTS OR PRIVATE INTERESTS TO CONTRIBUTE TOWARDS UPGRADING THE ATLANTIC CITY - PHILADELPHIA CORRIDOR, AND TOWARDS ANY OPERATING DEFICIT ?

Again, this is a technical question which requires specialized knowledge which the Greater Atlantic City Chamber of Commerce does not have at this time.

However, it would be our desire, if feasible, for this rail link to be operated (and possibly controlled) by private enterprise, rather than by a governmental entity. Our experience has been that government-operated systems are not run effectively.

At least one company, COMPAGNIE GENERALE d'ELECTRICITE of France, is actively pursuing a feasibility study of this question at present, assisted by Philadelphia's GERARD BANK. We believe the New Jersey State Department of Transportation has also explored aspects of taking over this rail link itself.

Several of the agencies noted in part two have explored aspects of participation in upgrading, financing, operating and funding deficits of such a rail improvement to date, and would be much better prepared to discuss this question than is the Greater Atlantic City Chamber of Commerce at this time.

However, we would be most glad to assist the Subcommittee in identifying which agencies could address this question.

PART IV

WHAT INCENTIVES CAN LOCAL GOVERNMENTS OR INDUSTRIES OFFER, SUCH AS FREE PARKING, THAT WOULD ENCOURAGE INCREASED RIDERSHIP ?

A number of programs are already being explored which relate to this question, most recently involved is the New Jersey Department of Energy in its ride-sharing programs and explorations.

We believe that a number of outside factors will encourage ridership, to begin with. Among them are: the cost of gasoline, the availability of gasoline, the availability of sufficient quantities of housing in this immediate area to support jobs provided by our new industries, the limited parking presently available and projected in and surrounding Atlantic City (and its cost).

Current requirements issued by the State of New Jersey to the Casino Industry already mandate that they develop their own internal programs to encourage ride-sharing...many of which would apply as well to use of rail transit. One company will be charging all drivers a fee to park unless they provide car- or van-pools. A rail program might be added for those living proximate to the rail corridor.

Tax incentives to allow companies to purchase vans to pick up employees or customers at rail stations, or similar programs to encourage (rather than penalize) firms for promoting rail travel might also help. Co-operative advertising programs, where promotional costs would be split by the rail operator and participating companies to develop rail junkets might also help. Towns might participate by contributing

[more]

property for use as a parking site, perhaps with State payments in lieu of taxes for property utilized in such fashion.

Other options might be explored if further time were allowed for development of programs oriented toward this objective.

The Subcommittee might note the inherent benefits to certain users to utilize rail services as well: visitors wishing to visit both Philadelphia and Atlantic City would no longer be forced to rent a car to do so, or to forego one city or the other, as often happens at present. Convention delegates visiting one city or the other could easily visit the other in very short order, in groups. Their host facility or hotel could transport them to an appropriate train, and arrange pickup later.

CRITICAL among all these possibilities is the need for new stations, designed for comfort, safety, and convenience. Relocation of many existing stations would also be needed.

Atlantic City, presently well along in its feasibility studies for construction of an inner-city People Mover system and Transportation Center (under a grant from the federal Urban Mass Transportation Administration) has already provided for connection links to heavy rail service from Philadelphia, and for relocation of the present train station terminal into brand new facilities. This indicates our committment to increased rail service, and demonstrates our belief that the demand in future years will easily justify improvements.

PART V

DESCRIBE THE INTERMODAL COORDINATION YOU WOULD RECOMMEND IN CONJUNCTION WITH IMPROVED RAIL SERVICE.

While we of the Greater Atlantic City Chamber of Commerce are not experts in this subject area, certain steps already taken as part of the City of Atlantic City's transportation studies are applicable.

Atlantic City is already planning, as we've noted, construction of a major intermodal transportation center which will bring together heavy rail (from Philadelphia), a downtown people mover system, taxicabs, inter-city buses, intra-city buses, charter buses (scheduled and non-scheduled), and common carrier transit services.

Whereever possible, an Atlantic City-Philadelphia rail line should interconnect with bus routes serving the communities adjacent to the rail line, to make rail use feasible. In the Philadelphia area, we would seek interconnection to the Amtrak system if possible, as well as proximity to the Lindenwald High Speed line.

The study teams now working for Atlantic City would be much better prepared to provide technical information on this question. Again, we urge contact with those organizations and agencies we listed in Part II to gain additional information in this topic area.

Mr. **Florio**. Thank you very much.

May I note that this committee also has jurisdiction over the tourism industry. This committee is currently in the process of rewriting a national tourism policy, defining the Federal Governments role particularly in the promotion of domestic tourism and international tourism. Next Tuesday I am going to be addressing, in Atlantic City, the South Jersey Tourism Council. I will be announcing some initiatives for coordination among the Philadelphia and Atlantic City's Convention Bureaus, the U.S. Department of Commerce, and the State of New Jersey's Tourism Agency.

We are very sensitive to the importance of tourism trade to this particular area and we are doing our best to try to facilitate the use of Federal dollars to encourage tourism. Today's hearing is closely related to that effort.

Mr. Hughes?

Mr. **Hughes**. Thank you, Mr. Chairman.

First, I want to congratulate the entire panel for the contribution that they have made today—I think they have been significant—and for the optimism that I gather from the testimony of each of the panelists.

I note, Mr. Dalberth, in your testimony that you project something like 27 million to 30 million annual trips within 10 years. I note that is somewhat at variance with the testimony of Mr. Thompson previously, who, as I recall, indicated there would be as many as 37 million such trips by 1985. It would appear as if Mr. Thompson is even more optimistic than you are in your projections.

I just wonder if you can tell us, were your projections based on the DVRPC study?

Mr. **Dalberth**. Yes, sir; DVRPC and also the ERA study.

Mr. **Florio**. Because that was conducted prior to the advent of casino gambling?

Mr. **Dalberth**. Right. The reason that I put that in there, Congressman, is to show you that they weren't too far wrong, but they were conservative in their guesstimates as to the ridership, the potential ridership, that was available, and how it was increased.

I thought I was the only optimistic one around the area; there was no one greater than I; but I find he was, and that is good. This came out of the Economic Research Associates report which update their last report and I think that was 1979.

Mr. **Hughes**. I think a number of the panelists pointed to the number of bus trips. It was pointed out that as many as 80 buses on a given day were directed to one casino, something like 1,600 buses in a week.

I have to work on the assumption that the business community has looked at the possibility of package programs utilizing the existing service. Can anybody address that issue?

Mr. **Dalberth**. Bill Downey represents the casinos, but the statistics that I get through the casinos was as of the day before yesterday, so they could get this report out to you, with the excursions that they have, and all casinos are doing this, which has been very active and very popular for bringing the people in on buses, which amount to, in my guesstimates, from what I hear, 1,500 a month for each casino, which would lead me to believe that they could do the same thing on trains.

Mr. Hughes. Do you believe that people might be more inclined to ride a train rather than a nice car, a comfortable setting?

Mr. Dalberth. I think more than at the time when both you and Congressman Florio were working with it, to start to save that line, because gasoline was available and it was still reasonably inexpensive, cars were easier to get, at a cheaper price. I think now, with all of the indicators pointing to people getting out of the cars and conserving, that the mode of transportation will be public.

Yes, I think it is easier now to encourage the people to take the convenience of public transportation if we make it so. This is up to us. I think, from what I have seen, it can be done. I know that I would get out of my car and it would be more convenient for me to take public transportation to get where I have to go.

Mr. Hughes. There are presently no trains into Atlantic City on weekends?

Mr. Dalberth. None.

Mr. Hughes. Does that give you any concern?

Mr. Dalberth. Certainly, of course. We fought for this 5 years back, and even prior to that, even when we fought at the end of 1968 to get legislation for the extension to continue the high-speed line into south Jersey and toward Pennsylvania, but this was almost an impossibility.

Mr. Hughes. Can any of you tell me where I can find a train schedule to take a train from Atlantic City into Lindenwold on Monday morning?

Mr. Kauper. I seriously doubt there would be any one who would want to search for a train schedule, given the level of service that is presently available. I think the volume of service that a mode of transportation would enjoy would bear a direct relationship to its desirability in terms of comfort, cost, and speed.

Mr. Hughes. You have just reaffirmed my suspicion, that indeed the train is the best kept secret we have in south Jersey.

Mr. Kauper. That is correct.

Mr. Hughes. Thank you.

Thank you, Mr. Chairman.

Mr. Florio. It is my understanding that New Jersey law provides for a 2 percent tax credit on casino revenues to be used for programs that casinos would be willing to become involved with, to promote regional economic development. Is this transportation project the type of program the casinos might be willing to support, in order to take advantage of that tax credit?

Mr. Downey. Yes, sir. In a recent paper we made available to Chairman Lordi on this issue of investment credit, there were two areas we stressed as an industry that we would be interested in, one of which was transportation and the second of which was housing. That could be done individually through our members or conjointly, whatever way would be most dollar effective.

The answer is yes, we would.

If I may, I would just like to comment on another point with respect to the service. We are not talking in our desires about anything futuristic; we are talking about an upgrading of the present service with regular runs. It is very modest. I think the numbers that were reflected by some of the Federal testimony this morning makes it appear to me even more optimistic than the discussions that we had with our own Congressman earlier on.

Mr. **Eames**. I think it is important to note that with the casino industry, innovation and modification of the standard operations of such things as buses and rail, are very important to examine. If you look at the way our casino industry is operating charter buses, it is rather exceptional, in comparison to normal charter buses, and the quality of service and the ease, encouragement of service, subsidies and other things, are much different than normal charter operations around the country, with the exception of Las Vegas.

Rail service should be looked on the same way. Individual enterprises should examine ways to utilize rail service to make it attractive to people to use, which could include such things as junket use of the train and packaging of individual trains and could even conceivably, if the demand were great enough, include chartering of specific trains from a destination directly to Atlantic City, to encourage their use.

It must be kept in mind, in talking about the connection between Philadelphia and Atlantic City, we have the greatest potential if we remain flexible and openminded in the way we utilize transit systems and not lock ourselves into traditional rail thinking of regular schedules and regular connections at certain stations. That would play a part. I think the innovation and the flexibility to use the rail lines to maximum potential exists here that might not exist in a normal market area.

Mr. **Hughes**. I did not mean to suggest that bus transportation is not going to play a very important role in our overall transportation system, because it can play an extremely important role. I believe that people over the long pull will not travel by bus generally, but would opt for rail transportation.

My colleague and I travel often on the Metroliner. It is good service, a good system. I think that in developing a balanced transportation approach we are going to have to take into account what is occurring in the region. As we bring on more casinos in the area, our marketing area has to be broader. As our marketing area becomes broader, we have to look at other modes of transportation—air and rail.

It seems to me that in developing the system we are going to have to look at those demographic changes very carefully and address a whole myriad of problems, including the problem of the commuter, which is going to be a very significant problem by the year 1985. I did not mean to suggest in any fashion that, as with bus transportation, whether it is a sophisticated type of bus transportation or what have you, upgraded buses with all kinds of incentives that are being provided by business groups, particularly the casinos, that same package program cannot be offered to the rail system and develop the same type of ridership, I am convinced, as was done with buses.

Mr. **Dalberth**. One more thing on that same note: The routings right by the national aviation facilities experimental center, that would be an ideal spot with the things that are happening now, looking toward the future.

Mr. **Hughes**. We have to look at intermodal transportation systems. That is why the UMTA study is so important for Atlantic City, because that will be the transportation system of the future.

We have endeavored to try to interest the President's agency task force in looking more carefully at what is happening in Atlantic City. It is a unique opportunity to pull together far-reaching programs that are underway now, intermodal transportation being one of them.

Mr. **Dalberth**. It is not just Atlantic County; it is the six counties that we serve, which will be like one.

Mr. **Hughes**. It is a region. The days when we thought in terms of the municipality are gone. We have to think in terms of regional. Now, the major funding is going into those areas where you have district-wide planning and opportunities. That obviously is going to be the trend of the future.

Mr. **Dalberth**. The population in Atlantic City will be 75,000-100,000 by 1990. It is now 1.6 million in the 7 counties and expected to be by 1990 a quarter of a million more.

Mr. **Hughes**. Thank you.

Mr. **Florio**. That was my Pinelands argument.

Mr. **Hughes**. I have never quarreled about that. It is just a matter of how you implement that.

Mr. **Florio**. We will save that for another day.

Gentlemen, thank you very much. We do appreciate your testimony.

[Brief recess.]

Mr. **Florio**. Ladies and gentlemen, we will reconvene.

I would now like to call Mr. Tener R. Eckelberry, the U.S. permanent representative of the Compagnie Générale d'Electricité of France.

My understanding is that he has some colleagues. I would like to ask them to come forward.

STATEMENT OF TENER R. ECKELBERRY, U.S. PERMANENT REPRESENTATIVE, COMPAGNIE GÉNÉRALE D'ELECTRICITÉ, ACCOMPANIED BY JEAN H. PARADIS, MICHAEL J. BROWNE, ROBERT B. MACY, JR., ROBERT WILLIAMS, RICHARD J. McCONNELL, PIERRE SAINTIER, EDMOND CHAPUS, HARRY PERKS, PHILLIPE MACE, AND YVES AUREILLE ON BEHALF OF COMPAGNIE GÉNÉRALE D'ELECTRICITÉ

Mr. **Eckelberry**. Thank you, Mr. Chairman.

I would like to call Mr. Jean Paradis, Mr. Pierre Saintier, Mr. Edmond Chapus, Mr. Robert Macy, Mr. Richard McConnell, and Mr. Michael Browne.

Mr. **Florio**. Please come forward and sit at the witness table.

Mr. **Eckelberry**. Before I start, Mr. Chairman, I would like to say we are also accompanied by Mr. Robert Williams, vice president of the Gerard Bank; Mr. Harry Perks, the president of the Day & Zimmerman Engineering Corp.; Mr. John Voight, our valued local consultant; and there are two representatives of the French Embassy here today.

Mr. **Florio**. Perhaps you could introduce the gentlemen from the French Embassy.

Mr. Eckelberry. Mr. Phillipe Mace, commercial attaché to the French Embassy in New York; and Yves Aureille, industrial attaché from the French Embassy in Washington.

Mr. Florio. Gentlemen, we welcome you to the hearing.

Mr. Eckelberry. Thank you very much.

Mr. Chairman and Congressman Hughes and members of the staff, my name is Tener Eckelberry. I am the U.S. permanent representative of Compagnie Générale d'Electricité of France, and chairman of PAC Transit Development Co. With me are Jean H. Paradis, president of PAC Transit Development Co. and manager of Sogelerg in North America; Michael L. Browne, a partner in the law firm of Dilworth, Paxson, Kalish, Levy & Kauffman, who broke his skiing holiday in Switzerland to come over for the hearing.

Mr. Hughes. I cannot imagine anyone doing that.

Mr. Eckelberry. Robert B. Macy, Jr., managing director of the investment banking firm of Lehman Brothers Kuhn Loeb; Richard J. McConnell, executive vice president of Girard Bank; Pierre Saintier, director of the civil engineering department of Sogelerg; and Edmond Chapus, president of Alsthom-Atlantique, Inc.

I am pleased to have this opportunity of presenting testimony to this subcommittee concerning intercity rail passenger service between Atlantic City, N.J., and Philadelphia, Pa.

Compagnie Générale d'Electricité, or CGE, through its affiliate Alsthom-Atlantique, Inc., is an experienced manufacturer of high-technology, state-of-the-art European railroad systems, including infrastructure, rolling stock and all related equipment. A large and diversified industrial conglomerate with headquarters in Paris, CGE in 1979 had worldwide sales totaling nearly $9 billion.

We have ample documentation of my company here, as well as documentation on the French railroad equipment and the system. Also, incidentally, I should mention that the CGE has already a substantial presence in this country. It employees thousands of Americans in factories throughout the country, going from California to Georgia to Boston, not in the railroad field as yet but in other fields.

The experience of the French National Railway—SNCF—and CGE in developing and building high standard rail systems since World War II is vast and unique. It is the intent of CGE to draw upon this vast experience in designing and constructing a rail line between Philadelphia and Atlantic City, in cooperation with U.S. firms.

Last fall, CGE authorized its engineering subsidiary, Sogelerg, to perform a preliminary feasibility study assessing the prospects of improved rail passenger service between Philadelphia and Atlantic City.

This study is being conducted by Sogelerg for PAC Transit Development Co., a U.S. corporation which is serving as a pilot company for development of the railroad and which is wholly owned by CGE and five of its operating subsidiaries.

Sofrerail, a fully owned subsidiary of the French National Railway; the law firm of Dilworth, Paxson, Kalish, Levy & Kauffman; the investment banking firm of Lehman Brothers Kuhn Loeb; Girard Bank; and the architectural engineering firm of Day and

Zimmerman, have been involved with Sogelerg in the preparation of this preliminary feasibility study.

CGE's goal is to build, with American partners, a complete turnkey railroad between Philadelphia and Atlantic City, including infrastructure, rolling stock and all related equipment, and to service the railroad after construction. CGE does not intend to own or operate the railroad but, rather, expects an American investment group to do so.

The benefits of such a project, if completed properly and successfully, should be substantial for the State of New Jersey and for the entire Delaware Valley region.

Because of resort development, there is already considerable congestion of automobile traffic on the highways leading to Atlantic City. More than six hotel casinos are projected for operation by 1982 and improved rail transportation to Atlantic City would seem absolutely essential even in the short term.

Through a high-speed rail line connecting Atlantic City and Philadelphia, much of the State of New Jersey and the Delaware Valley would have the opportunity of sharing in the significant commercial development occurring in Atlantic City. Tourists, conventioneers, as well as employees of resort facilities living throughout the region, would be able to travel easily to and from Atlantic City.

The preliminary feasibility study now nearing completion—this hearing came a little bit too soon for us—focuses upon upgrading the existing right-of-way formerly owned by the Pennsylvania-Reading Seashore Line, which extends from Atlantic City through Lindenwold and West Haddonfield, across the Delair Bridge to the Northeast corridor trackage owned by Amtrak.

The Philadelphia terminal of this line would be Amtrak's 30th Street Station. The bulk of this route, between Lindenwold and Atlantic City, is owned by the New Jersey Transit Corp. The right-of-way from West Haddonfield to Lindenwold is owned by the Delaware River Port Authority, and between West Haddonfield to Frankford Junction on the Northeast corridor the right-of-way is the property of Conrail.

Upon completion of this preliminary report, a detailed engineering and financial study of approximately 12 to 15 months' duration would be required prior to any construction commencing. During this period rights to use the rail properties involved would have to be obtained.

CGE currently estimates that construction would require approximately 2 years, with operation of the rail line hopefully beginning in early 1984.

Inasmuch as the preliminary feasibility study is not yet completed, and a comprehensive, longer-term engineering study has not yet begun, detailed operating characteristics and economics of the contemplated railway are as yet undetermined.

Moreover, changing circumstances requires that prediction and estimates be continually reassessed. However, at this time we envision two types of rail service to Atlantic City: first, a high-quality, high-speed express service from Philadelphia to Atlantic City with a limited number of stops, utilizing trains reaching speeds of approximately 125 miles per hour; second, a rapid and efficient commuter rail system serving points west of Atlantic City.

The potential demand for rail service to Atlantic City appears to be significant. The number of visitors to Atlantic City will depend, of course, upon the extent of development in the resort city, and especially upon the number of casino hotels which are ultimately put into operation.

In addition to visitors to the resort area, it is estimated that perhaps more than 50,000 new jobs will be created at the new casino hotels and at new, supporting service industries. A sizable percentage of these employees could be expected to commute by way of the contemplated railway. Analysis during the preliminary feasibility study included both express and commuter service.

A high quality, attractive commuter railway to Atlantic City would lessen pressure for housing development around Atlantic City and in the Pinelands, by permitting employees working in the resort city to commute quickly and comfortably from more remote distances. In this way balanced development patterns could be achieved, measurably reducing the dislocations and pressures already evident in Atlantic City.

Large numbers of railroad passengers could be expected to board the train at 30th Street Station in Philadelphia enroute to Atlantic City by rail. Preliminary analysis suggests the likelihood of a station stop for express as well as commuter service at Woodcrest, N.J.

This would allow passengers of the railroad arriving at Woodcrest via Interstate Route 295 to park their cars and ride the train into Atlantic City. A station stop with parking facilities may be developed at some point after the commencement of rail operations at the intersection of Interstate Route 95 in Northeast Philadelphia and the right-of-way of the contemplated railway.

Another intermodal transportation connection would be achieved upon completion of the high-speed rail line between Philadelphia International Airport and 30th Street Station.

An additional and even more essential intermodal connection would be with the planned people-mover system within Atlantic City itself.

One significant transportation link for the contemplated railway would be with the Lindenwold High Speed Line, the light rail commuter system running between centercity Philadelphia and Lindenwold, N.J. The contemplated railway would operate on a different right-of-way than that of the Lindenwold Line, with the most likely link between the railway and the Lindenwold High Speed Line being at Woodcrest, N.J.

For the many riders of the railway, it would be extremely convenient to board the Lindenwold Line in Philadelphia, or in the Camden, N.J., area, and then to transfer to the Atlantic City rail line at Woodcrest, where the port authority has constructed a new station stop.

Train frequencies, both for express and for commuter service, would be scheduled according to ridership demand. Based on the expected level of development in Atlantic City, express and commuter trains would be frequent and convenient.

After communication with the owners of the pertinent rights-of-way and with Federal, State, regional, and local government agencies, departments, and commissions which must authorize one or more aspects of the contemplated railway, CGE is hopeful about the viability of a high standard, privately owned railroad between Atlantic City and Philadelphia.

However, the economic viability of a privately owned railroad is dependent on a number of factors: One of the most important is the ridership, which directly depends on the number of hotel casinos that will be built in Atlantic City. Another is the operating agreements the railroad will have with labor organizations.

If expenses such as those arising from labor terms and conditions are reasonable, the preliminary feasibility study now in progress indicates that all of the costs of operating the contemplated rail service could be covered by passenger fares and that the railroad could be successfully developed by private enterprise.

The energy savings attributable to operation of a modern, electrified railroad appear to be quite significant, although the terms of reference of this study did not include such analysis.

Statistics indicate that with the opening of the first casino in Atlantic City automobile traffic on the Atlantic City Expressway approximately doubled. Development of numerous hotel casinos in Atlantic City will aggravate this problem to crisis proportions and will limit the ability of casino development to offer the anticipated advantages of increasing employment and raising of tax revenues.

Atlantic City, resting on a narrow island, simply cannot accommodate the deluge of automobiles which would, without development of an attractive alternative mode of transportation, inundate the resort city. Minor upgrading of the existing diesel passenger line extending between Lindenwold and Atlantic City could not be expected to offer the convenience or appeal, or result in the significant energy savings, of an efficient electrified railroad.

The cost of upgrading to a high standard rail system, including rolling stock, appears to be on the order of magnitude of between $200 million and $400 million. This does not include the cost of right-of-way acquisition. Preliminary results seem to indicate the feasibility of private financing of this cost, and it is CGE's intent to join American equity partners in order to proceed with detailed engineering and financial studies in the near future.

If I could make a parenthetical remark, nothing we say here should exclude in anyone's mind that we would not accept help through normal financing vehicles that are regularly available to projects of this kind, such as revenue bond financing, also certain infrastructure work which is directly related to the railroad but which will serve the common interest, such as the work on the bridge, if that is necessary.

We would welcome our American partners, would welcome coordinating efforts and financial help from governmental bodies, for example.

In regard to the lease or purchase of the rights-of-way or acquisition of trackage rights from the owners of the rights-of-way of the contemplated railroad, meetings with officials of these organizations have already taken place, and there is no reason to believe that these rights-of-way will not be made available at a reasonable price. Otherwise, the cost of improved rail service would become unreasonably high and unprofitable, and thus unattractive to private investors and private financing.

Meetings with officials of the New Jersey Pinelands Commission and the New Jersey Department of Environmental Protection, as well as officials of all pertinent Federal, State, regional and local governmental agencies, commissions and departments, reveal no insurmountable obstacles at this time to development along the existing right-of-way of the contemplated railway.

In traversing the New Jersey Pinelands, the railway would follow the existing right-of-way of the former Pennsylvania-Reading Seashore Line. Moreover, the electrification of the contemplated railroad would provide environmental advantages over the existing diesel line. Of course, the appropriate environmental impact studies will be conducted during the forthcoming detailed engineering study.

Freight service between Atlantic City and Camden, N.J., is currently nominal, never more than two trains per day. The coordination of sensitively tuned, lightweight, high-speed passenger rail service with freight service does not offer insurmountable technical difficulties; in fact, freight service should be improved by the construction of appropriate terminals and facilities.

In conclusion, the extraordinary development and growth of Atlantic City cannot be achieved without a first-class rail system.

In order to further this objective, CGE has already created PAC Transit Development Co. and has invested a considerable amount of its own money in undertaking a preliminary feasibility study which is about to be completed.

My colleagues and I would be pleased at this time to answer any questions which members of the subcommittee may have.

Mr. Florio. Thank you very much. I want to express my appreciation that your organization has reached out to be of assistance. I know you went to a great deal of trouble to submit your testimony in advance so that we could be prepared for the hearing, and I appreciate that.

Mr. Eckelberry. Thank you, Mr. Chairman.

Mr. Florio. Mr. Hughes?

Mr. Hughes. Thank you, Mr. Chairman.

I, too, want to extend my thanks for a very encouraging, promising and incisive statement. Also, I have never seen a witness appear with his bankers, with his lawyers, and with his diplomatic representatives; and I am impressed.

Mr. Eckelberry. I need them all.

Mr. Hughes. How about the accountant?

Mr. Eckelberry. We can produce him, if you want.

Mr. Hughes. But welcome. We are happy to have you this morning.

Mr. Eckelberry. Thank you, sir.

Mr. Hughes. One of your last statements was that shortly you will have a preliminary feasibility study available. What timeframe are you talking about?

Mr. Eckelberry. Actually, in my parenthetical remark I said to the chairman that this hearing came a little bit too soon for us. It is not much too soon. We should be ready with that in a question of weeks.

Mr. HUGHES. I understand.

Your primary interest is in developing the engineering feasibility study so that equity investors might look favorably upon the construction, whatever is needed in the operation of a rapid transit system between Philadelphia and Camden?

Mr. ECKELBERRY. Yes, sir. It has never been our intention to have ownership or operational responsibility, direct operational responsibility, for a railroad in the United States.

You might ask how we got into this project. My company has been looking for opportunities to introduce French railway technology in its totality, including design, construction, rolling stock, operating management and maintenance services, in the United States for some years. We have not had this opportunity. We have not found the proper opportunity. We believe that the viability of this project, the economic stimulus of gaming in Atlantic City and the renaissance of the city itself through the tourists and the convention business provide an extraordinarily visible showcase opportunity for us to show off this technology.

But our goals are much broader than that. We have had extensive talks with people like Mr. Boyd of Amtrak and all of the people in the mass transit industry in this country, both private and public, and we believe we will get maximum encouragement, if this project works, to extend this technology to the rest of the United States, also with an American partner.

Mr. HUGHES. I understand. I know I speak for a lot of people when I indicate that we are very grateful for your interest. Anyone who has traveled in Europe has come away impressed by the rail system which has developed over the years.

It is our hope that it will move our country in that direction. We are very grateful.

I note that one of the areas that you are looking at is the demographic changes that are taking place to the west.

Mr. ECKELBERRY. Yes.

Mr. HUGHES. I might indicate, as I did previously to a witness, a great many demographic changes are taking place in other portions of the southern part of the State. Ocean County happens to be one of our fastest growing regions in the entire country. Many of the service-related employees will unquestionably be coming in from the Ocean County region.

We have developed a whole community of from 3,500 to upwards of 5,000 people and senior citizens in entire communities, almost entirely self-contained, just like to the south, to the Barrier Islands, Wildwood, Egg Harbor, Avalon. Cape May is growing rapidly and the demographic changes taking place there are also significant.

I would hope as a part of any study that the entire regional changes will be looked at, because the problems that we are speaking about, the housing problems that we are going to experience, the transportation problems, particularly for those who are commuting, are going to be experienced in other parts of the region where we think this right-of-way that exists will also be ideal as a feeder for those areas.

Mr. ECKELBERRY. Yes, sir.

Mr. **Hughes**. Is the present right-of-way adequate?

Mr. **Eckelberry**. Yes, sir.

Mr. **Hughes**. Do we have enough of a right-of-way on the existing Pennsylvania-Reading Seashore Line?

Mr. **Eckelberry**. Now you see why I brought the experts with me.

Mr. **Paradis**. The right-of-way is adequate to handle the traffic without any difficulties at all.

Mr. **Hughes**. Do you know the width of the existing right-of-way?

Mr. **Paradis**. It varies along the line, but it is adequate to develop the tracks in most of the area. There is only one section where there will be difficulties; that is in Hammonton, to the west area where, because of two large retaining walls, the doubling of the line for that section will be difficult, and very costly.

It is not a bottleneck because the single track line for that section can handle more than 100 trains a day, and there is no problem.

Mr. **Hughes**. So that the area owned actually by the Delaware River Port Authority, is exceptionally narrow, and there might be some problems?

Mr. **Paradis**. That is right.

Mr. **Hughes**. Has your company looked at the North Philadelphia trackage as a potential area that might be utilized in directing traffic, particularly from the north, the Boston-New York region, into Atlantic City, as one possible option?

Mr. **Eckelberry**. Yes, we have, sir. Obviously, our main emphasis has been with the 30th Street connection. We have felt all along that the connection going toward the north has to be in the second phase, but we have kept these considerations very much in mind. In fact, our engineering partners in Philadelphia, Day & Zimmerman, have already done some studies in the past on those interconnections.

Mr. **Hughes**. Can you describe the type of rapid transit system that you envision, the type of cars? Give us some general idea of what you are talking about.

Mr. **Eckelberry**. Pierre, would you like to reply?

Mr. **Saintier**. Between Philadelphia and Atlantic City we envisage a high-speed train, running 125 miles per hour, between Woodcrest and Atlantic City, and a little less between Lindenwold and [inaudible] because of alignment of the right-of-way. So, we think that the time of travel between the Philadelphia station and Atlantic City would be less than 1 hour, approximately 58 minutes.

Mr. **Hughes**. How many stops are envisioned between 30th Street and Atlantic City?

Mr. **Saintier**. We envisage two stops.

Mr. **Eckelberry**. For the express.

Mr. **Saintier**. For the express service; one stop at Interstate Route 295, which could collect traffic, automobile traffic, from the interstate route, and one other stop at Woodcrestto intercept traffic by right-of-way line of PATCO, coming from center Philadelphia and no stops for the express between Woodcrest and Atlantic City.

Mr. **Hughes**. Are these cars in use anywhere in this country?

Mr. **Eckelberry**. No.

Mr. **Hughes**. Where in Europe?

Mr. **Eckelberry**. Would you say a few words about the type of equipment that we are thinking about?

Mr. **Saintier**. The type of equipment is based on an electrified line. On the line across to Philadelphia there is an existing electrified line, 11,000 volts and 29 hertz, and between Lindenwold and Atlantic City there is no electrification now.

We think that the best equipment for rolling stock is to have equipment with electrification on the 25,000 volt, 60 hertz. It will be economical because it will utilize energy from the present supply; it will need to have special locomotives, one that requires 25,000 volts and 11,000 volts on the other part.

For the coach we would utilize a coach we use in France, which was recently designed and is very comfortable, very efficient.

Mr. **Hughes**. You are also talking about major upgrading when you talk in terms of upward of $400 million. Do you envision that present commuter service can be maintained at the time this trackage is operating?

Mr. **Eckelberry**. Congressman Hughes, with due respect to our friends in the transportation authority in Washington and elsewhere, we have seen from our European experience that you cannot induce passengers to travel a train that is simply an upgraded service. In Europe they are very fortunate because their infrastructure was completely destroyed during the war, so they could start from zero.

Here we inherited an outmoded system after the war; but the reason that the French, Germans, Italians, Swiss, et cetera, travel their trains is because they are on time, 4 percent of French trains last year arrived more than 5 minutes late; they are comfortable, extremely comfortable, and they are efficient.

Mr. **Hughes**. I can see that we are not going to get you to ride our trains.

My question is, do you envision that during the time that the major construction was performed on this right-of-way that the existing commuter service could be maintained?

Mr. **Eckelberry**. That is a very good question. It is something that we have given a great deal of thought to. This would only indirectly concern us, because, obviously, as we are going through with our plans, if they are approved, if the money is found, if everything goes through, our basic plan is to really redo that line.

However, I think I would personally subscribe to the remarks made today about getting better service immediately. We certainly will cooperate.

Mr. **Paradis**. During the construction the schedule will be made in such a way that service will be maintained during construction time.

Mr. **Eckelberry**. He is talking about upgrading right now.

Mr. **Hughes**. I am interested in upgrading the present service, which is extremely important. I think our poor ridership is just a self-fulfilling prophecy. We are talking about dual purposes. Obviously, you can't mix the express service with a commuter service. We have two problems.

We are going to attempt to address both the commuter problem and the express. I am naturally concerned about trying to make major improvements along both lines.

Mr. ECKELBERRY. I think that is an excellent thought. I think that we should devote more time to that. The problem is so urgent today that I think we should devote more time to studying the possibility, the immediate possibility, of upgrading that service while our own project is going through.

Mr. HUGHES. I am way beyond my time. I am fascinated. We could talk all day, I am sure.

I have one more question. I have to assume from the fact that you have your bankers here that there are equity investors in the private sector who are extremely interested in your proposal?

Mr. ECKELBERRY. Some have already been identified, sir.

Bob, would you like to say a word on our approach to that problem?

Mr. HUGHES. You are with Lehman Bros.?

Mr. MACY. Yes.

Our approach to this has been on a project finance basis. We believe that is a more realistic way to look at this type of project. We, in fact, believe that despite the general demoralization of U.S. companies in investing in passenger service which has occurred over the last 50 years, that, in fact, there are companies that we are aware of that are willing to invest in a project of this nature.

Mr. HUGHES. Good. Thank you.

Thank you, Mr. Chairman.

Mr. FLORIO. I would like to pick up where Congressman Hughes left off. I have satisfied myself, after having spent some time looking into your company and the credentials you have provided us, that you are obviously capable of delivering what you are talking about.

The technology is available. You are not going to take on something you do not think you can do. My concern is after you leave. You have already announced that you don't have any intention of operating the facility. You have also indicated you have put together some sort of an American subsidiary or partner that will operate the company.

You have also stated that you are really talking about a Cadillac-type operation, not a modest operation but a fairly substantial operation. I don't think you will have any problems with regard to financing, because the initial individuals providing financing will have their investment returned when the program is spun off to the operating company.

The question then is the operating company. You are talking about doing something that nobody else in this country has been able to do in the history of this country, making money out of rail passenger service. We know that Amtrak has 30 percent of its operating cost paid for out of passenger revenues, to say nothing of the capital costs.

You are talking about some rather expensive capital costs. I am interested in what it is that is going to make the private sector become interested and involved in assuming the responsibility for capital cost in this operating company.

We can talk about high volume of passenger service, but I am having difficulty appreciating how you are going to get the kind of volume that will pay for the operating cost of this very expensive type of operation. That is to say nothing about getting back the money that was invested in capital costs.

Mr. ECKELBERRY. That is a very good qestion. You have undoubtedly realized that one of the attractive features of this particular line that is probably unique in the world today is the non-rush-hour feature. The casino operations go on until 4 o'clock in the morning. We could almost call it a 24-hour traffic pattern. These are not just people who are going to gamble in the casinos and use the hotel facilities which are also all night; but also many, many employees who have to work on that schedule.

One of the big problems that the typical commuter line has all around the world—it is not unique to the United States—is the utilization of productive equipment during the nonpeak hours. This is one of the major reasons why many commuter railroads lose money. Because of the factors I have just mentioned, this is a very unique situation and our studies already indicate, taking very conservative figures, that the non-rush-hour-type pattern of ridership already puts it, in terms of economic return on investment and operating profit, ahead of any other commuter system, just for that factor.

Mr. FLORIO. Are you aware of the fact that when the Northeast corridor project is totally completed, the projection is that this will be the best service in the world, which anticipates perhaps being able to cover operating cost out of passenger revenues without any even remote expectation that you will be able to obtain revenues sufficient to make any kind of small dent in the fixed costs? The analogy with regard to the French system, I assume, presupposes massive governmental infusions of money, because, as I understand the French system, it is a governmentally owned system, financed out of public revenues. Is that what we are contemplating in terms of the operational company that you foresee here?

Mr. ECKELBERRY. No, sir.

Mr. FLORIO. You see no governmental involvement?

Mr. ECKELBERRY. Let me correct one misunderstanding that sometimes we Americans have about how the French system works. The SNCF was created as a merger of a number of private lines operating around France; it was created to act as an independent operating agency; it is not like a department of the government; it really runs on its own and it raises money through bond issues, sometimes done by Lehman Bros., Kuhn Loeb; so, the government influence is strong, obviously, because the SNCF has to provide public service; but it is not what we would call over here a typical, completely governmentally run system.

No, as far as our project here is concerned, the SNCF will be of extreme value to us in the beginning; it already has been; and also to the investor, because the operating characteristics of this train should follow, if it is to be successful, the successful patterns in France.

Mr. FLORIO. Are you saying that the French system operates out of revenues?

Mr. MACY. Could I address that?

We have handled several issues on behalf of the French railroad in this country to raise debt. Therefore, we have become quite familiar with the way the railroad finances its operations.

I think it is attributable to their operations that in fact these operate very close to breaking even. Now, there is a subsidy by the French Government to the French railroad.

Mr. **Florio**. Break even with regard——

Mr. **Macy**. To the operating cost. There is a subsidy which is specifically related to particular social programs. For instance, they give discounted fares to disabled veterans and people over 65, where it is specific social programs, where a budget is worked out at the beginning of each year, so that the railroad knows that it can operate, counting on those subsidies to keep those fares for that particular category of people down.

When you come to the actual covering of your operating cost, they do an excellent job of covering operating cost.

Mr. **Florio**. I have difficulty understanding the projected approach that your company would use to construct this facility. I assume, at the point where you feel it is appropriate to turn it over, you would like to get back your initial investment. Using the project as a means of showcasing your equipment, is very legitimate. You will never feel the need to transfer the obligations and the debt over to the new operating company. The operating company will then, if it is a private company, have some interest in earning sufficient revenues to pay for the cost of operation, to pay off the balance of the debt, and then hopefully make a profit.

That is a difficulty I have in trying to appreciate how that is going to happen. I assume that your feasibility study entails study not only for construction but also the feasibility of your entire plan from the beginning to the end; is that correct?

Mr. **Eckelberry**. Absolutely.

Mr. **Florio**. We would like to see the feasibility study when it is completed.

Mr. **Eckelberry**. Furthermore, Mr. Chairman, we will not leave this project. Sogelerg will offer its services and expects to be accepted as the servicing and maintenance arm, because we know how to service the equipment, so we will be here, present, for the life of the project.

Mr. **Macy**. Could I add one comment here, that maybe puts it a little in perspective?

I can assure you we are fully aware, with all the railroads in the country having trouble with commuter operations, it is hard to see somebody coming in with a brand new project, and why is this going to be privately financed? I would say the biggest advantage here is that we have something akin to a pipeline, a single pipeline. It is a highly definable project; it is going to take tourists; it is going to take commuters between two fairly well-defined places, over a relatively short line; it is something where the risks and rewards can be fairly accurately determined.

I think on the basis of looking at it as a project financing and not just as a big corporation going into the railroad business in the United States, I think when those two contrasts are made, you can begin to understand why we have confidence that there will be private investment capital available to finance this project.

Mr. **Florio**. You heard the representatives from the New Jersey Department of Transportation say that it doesn't appear to be the policy of the State to want to dispose of the rights-of-way. They would be more favorably inclined to grant trackage rights.

Is that compatible with your program?

Mr. **Eckelberry**. Absolutely. We never thought of buying the rights-of-way. We would work out some sort of leasing arrangement.

Mr. Chairman, I just got a note that Mr. Perks, the president of Day & Zimmerman, would like to say a few words. Would you permit that?

Mr. **Florio**. Certainly.

Mr. **Perks**. I would like to say a little about the assistance we have given to these gentlemen, and something about our staff.

In addition to having technical staff, we also have a strong operational staff, past operating managers from the Penn Central, past operating managers of Seaboard Coast Line, plus economists. I think some of the questions that you are asking are some of the questions that we have directed our attention to, in that we have made estimates of ridership; we have made estimates of fares; and we believe that this can be a profitable railroad for profitable investment; and if you have any questions about those particular technical skills that we can contribute, we have the staff here with us.

Mr. **Florio**. I know of your firm's reputation, notwithstanding having past management of Penn Central, we still feel you are capable of providing assistance.

Gentlemen, we thank you very much. We look forward to working with you.

Mr. Hughes?

Mr. **Hughes**. Since obviously there is the question of lease, and that is all we have in the parameters as I understood them, if private sectors were to get involved in the construction and maintenance of this particular line, are you at liberty to tell us what type of terms would be required to attract the equity investors?

Mr. **Macy**. I think on projects of this nature that the investor, through one agreement or another, is probably going to look for a term that takes them out at least 30 years. We have not in all fairness arrived at the point in discussions with potential investors that we can be more definitive than that; but I can just indicate that that is in our preliminary judgment, what we feel will be the term.

Mr. **Hughes**. Am I correct that, assuming you will not be able to attract equity investors unless simultaneously they are talking to operating investors who are looking at the same data?

Mr. **Macy**. We are not certain that they will be different parties.

Mr. **Hughes**. Thank you.

Mr. **Florio**. Gentlemen, thank you very much.

Our last panel will be four individuals. I will ask them to come forward. We have a time deadline. We have to vacate this room in the near future.

These four individuals have expressed a willingness to summarize their comments.

First, we would like to ask Harry Hyde, coordinator of the Shore Train Riders Club, to come forward; Mr. Irvin McFarland of the New Jersey State Legislative Board, United Transportation Union;

Mr. J. Philip Richey, Citizens Advisory Committee, president of the American Society of Inventors; and Mr. Len Rippa, of the National Taxpayers Union.

Gentlemen, welcome to the committee.

We thank you for your patience during what has been a long, though, we think, productive hearing. We would like to ask Mr. Hyde to proceed.

STATEMENT OF HARRY HYDE, JR., COORDINATOR, SHORE TRAIN RIDERS CLUB

Mr. Hyde. Congressman Florio, Congressman Hughes, my name is Harry Hyde, Jr., coordinator of the Shore Train Riders Club.

The Shore Train Riders Club is one of four transportation-consumer-oriented citizens groups that represents interests of passengers of the South Jersey seashore train service on rail lines formerly known as the Pennsylvania-Reading Seashore Lines, PRSL.

The three other groups represent interests of rail commuters. They are the Cape May County Rail Commuters Association, Ocean City Commuters Club, and South Jersey Commuters Association.

The Shore Train Riders Club has an open membership policy for all users of seashore-train passenger service, but essentially represents interests of persons other than year-round commuters. For the most part, these persons are summertime shoregoers who travel from the Philadelphia-Lindenwold area to South Jersey shore points on day trips, weekends, and vacations.

I have been asked to convey regrets from two other groups who were unable to attend. The South Jersey Commuters Association, which represents commuters on this Atlantic City to Philadelphia Corridor—Mrs. Eileen Gaynor, secretary of the organization; she was unable to make it; however, she asked me to convey the feelings that if the hearing were held in the evening, rail commuters would be better able to attend.

There was also some thought that it would be helpful to have a hearing like this at the other end of the corridor, which is in Philadelphia.

Another commuters group, the Cape May Commuters Association, has asked me to add their general support to my testimony.

I also would like to call your attention to exhibit A, which is the timetable which our group at its own expense has contributed to help promote this service.

This testimony is submitted for presentation at a public hearing that "is designed to focus specifically on intercity rail passenger service between Atlantic City and Philadelphia." However, service to and from Cape May County resorts—Cape May, Ocean City, and the Wildwoods—also is part of the picture.

For example, proposals to reopen the presently abandoned rail link between Lindenwold and Delair Bridge—for service into Philadelphia via Haddonfield and Frankford Junction—should be evaluated in the light of potential ridership on all trains that would use that link and thereby share its costs.

Cape May County trains could use that link when it is reopened, as they did until September 1969, or they could be feeders for the Atlantic City service, with interface at Winslow Junction, where the Cape May rail line intercepts the Atlantic City line, or at Lindenwold.

Such interface could be similar to that at Tuckahoe, with coupling and uncoupling of rail cars, or could involve platform transfer of passengers.

The Shore Train Riders Club supports the proposal by Congressman William J. Hughes to have Amtrak take over all seashore train operation.

We have a friendly attitude toward the proposal of the General Electric Co. of France and a friendly attitude toward other things the private sector is doing, of an imaginative nature, such as Budd Co.'s SPV-2000. However, even before or without Amtrak takeover, the club supports restoration of passenger train service between Philadelphia and Lindenwold.

A connection at Philadelphia's Pennsylvania Station—30th Street—is necessary, if intercity passengers want to transfer between Amtrak trains and seashore trains. It also would help shoregoers traveling from points on the Chestnut Hill, Manayunk, Paoli, Trenton, West Chester, and Wilmington suburban commuter rail lines.

The present method of transfer between Amtrak and seashore trains involves a two-vehicle ride between Pennsylvania Station and Lindenwold, first by taxi to 16th and Locust Streets, or 8th and Market Streets, in Philadelphia, or via city transit; then via the PATCO High-Speed Line to Lindenwold. This does not exactly encourage Amtrak passengers to continue to Atlantic City via train.

At the Atlantic City end, the present location of the rail terminus discourages use of train service. The service would be much more attractive if the rail terminus were extended to its former location at what now is the municipal bus terminal and what could become a multimodal transportation center.

The track could be extended about a quarter of a mile into the west end of the bus terminal, with at first a grade crossing over the outbound entrance ramp of the Atlantic City Expressway. Highway traffic enters the expressway at that point from the streets of Atlantic City with an existing traffic light. It is not the same as if the grade crossing were over the inbound exit ramp from the expressway, with much faster highway traffic.

At a later date there could be a grade separation. Still later, the line might be extended to the boardwalk, or a people mover might be installed. This testimony was written before I knew about what we learned today—that exhibit and the other presentations.

In the interim, it would be helpful to have local bus, jitney, limousine, or minibus service meet the trains for conveyance to and from the casinos and the Convention Hall. The Shore Train Riders Club is in favor of local transit connections between trains and the boardwalk at Atlantic City and, incidentally, also at Cape May, Ocean City, and Wildwood.

People are not very likely to travel to Atlantic City via train if the only service to Atlantic City is in the evening and the only return service is in the morning; nor are shoregoers likely to travel to Atlantic City via train if there is no service on Saturdays, Sundays, or holidays. That is the way it is now. No service on weekends unless you figure coming down on Friday night, is a weekend, and going back Monday morning.

One can travel via train between Philadelphia and Pottsville, Pennsylvania, 7 days a week; yet Pottsville is much smaller than Atlantic City and has very little in the way of tourist attractions.

The Shore Train Riders Club favors year-round, 7-day service in both directions throughout the morning, afternoon and evening on the Atlantic City line and also on the Cape May and Ocean City lines.

A potential market for riders is the greater Cherry Hill area, with a growing population in excess of 100,000. When train service is extended to Philadelphia, ridership can be enhanced if new stations are installed at Highways 70, 38, and 130, the crossing of Highway 70 where the Garden State Racetrack was, and the Latin Casino was.

Along the existing Atlantic City line, potential station sites include Berlin, Winslow Junction, Pomona, and Garden State Parkway. A Pomona station could be linked via connecting bus with the airport/NAFEC facility complex and Stockton College. It might be feasible to have a bus link from a Garden State Parkway station to Manahawkin and Long Beach Island. Again, that is Ocean County, which is growing so rapidly.

Still another potential station site—on the Cape May line but in Atlantic County—is at Richland, which could be renamed Richland-Vineland. Vineland is no longer the small town that it was some years ago; it is now a metropolitan site.

Additional ways to increase ridership include active promotion of train service, still referred to as the best kept secret in South Jersey, plus family fare incentives and resort business package plans.

The Shore Train Riders Club and two other citizens' transportation groups—the Delaware Valley Association of Railroad Passengers, DVARP, and the Delaware Valley Citizens Committee for Better Transportation, DELTRAN, have had some degree of success in promoting the train service over the past several years. PATCO also has promoted the service and thereby contributed to a net increase in ridership over the past 10 years.

We have noted the ridership increase particularly on the train known as the Summer Special, which runs weekends during the summer. It does not run to Atlantic City, but to Ocean City and Cape May.

Increased ridership will require more rolling stock. A pooling of rail diesel cars—RDC's—between the New Jersey Department of Transportation—NJ-DOT—and SEPTA would help. A number of RDC's used on former Reading Lines are idle on weekends, when they could be put to use on the seashore lines, particuarly in the summer.

The Shore Train Riders Club appreciates the concern of the subcommittee with regard to Atlantic City train service and hopes that the subcommittee will consider also the need for improvements on the Cape May County service, such as restoration of the Wildwood spur. There is much need for improvement on the entire system.

Thank you.

Mr. Florio. Mr. McFarland?

STATEMENT OF IRVIN McFARLAND, STATE LEGISLATIVE DIRECTOR, NEW JERSEY STATE LEGISLATIVE BOARD, UNITED TRANSPORTATION UNION

Mr. McFarland. Congressman Florio, Congressman Hughes, it is a pleasure to attend this hearing, which appears so favorable, as opposed to the adverse hearings of the past.

In the interest of time, I will not read my prepared statement; however, I have been advised that my prepared statement will be made part of the record.

In 1976, Congressman Hughes and I and others met in the same room many time, opposing the total abandonment of the Penn-Reading Seashore Line, and today it appears we may see the light at the end of the tunnel. In conclusion, I would like to pledge the support of our labor organization for these plans today.

Thank you.

[Mr. McFarland's prepared statement follows:]

STATEMENT OF IRVIN MCFARLAND

Atlantic City, New Jersey

February 14, 1980

Mr. Chairman and members of the Committee:

On behalf of the United Transportation Union, its members and the employees of railroads in the State of New Jersey operating in intrastate and interstate services, whom I represent, I wish to express our appreciation for the opportunity to present to you their views on a subject which we believe to be most vital to the development of a rail mass transportation system serving Atlantic City.

My name is Irvin McFarland, I am State Legislative Director of the United Transportation Union, with offices located at 375 West State Street, Trenton, New Jersey.

Our membership consist of engineman, firemen, conductors and trainmen who are employed by ConRail on the Seashore District, as well as an additional four-thousand members employed on all operating rail lines within the State of New Jersey.

As State Legislative Director, I am responsible for the continuation and improvement of rail passenger services and to assist commuters and commuter groups by offering our expertise in the field of rail operations.

The former Pennsylvania-Reading Seashore Lines, successor Consolidated Rail Corporation (ConRail), has been allowed to deteriorate over the past thirty years to a skeleton of a railroad.

In February 1976, in this same City Hall, Congressman William J. Hughes, with the support of hundreds of commuters, officers of commuter groups and labor organizations, opposed the application filed by the Pennsylvania-Reading Seashore Lines for authority to discontinue all rail passenger service operating in Southern New Jersey. Fortunately, that application was denied.

At this time I would like to publicly "thank" Congressman Hughes for his dedicated efforts in opposing the discontinuance as sought by the P.R.S.L.

Congressman James J. Florio, Chairman of this Committee, is to be congratulated for his untiring pursuit for improved mass transportation on the Atlantic City-Philadelphia Rail Corridor.

I am very familiar with the operation of rail passenger service between 30th Street Station, Philadelphia, Pa., and Atlantic City, New Jersey, because I have worked on this line of railroad for twenty-six years, prior to my taking a leave of absence in 1970, to accept the position I now hold.

Therefore, I am submitting suggestions to this Committee for their consideration for improvements on the Atlantic City-Philadelphia Rail Corridor.

These changes are not necessarily in order of priority:

1. The line of railroad from Lindenwold-North to connect with the Northeast Corridor at Frankford Junction must be reopened, to allow the trains to proceed to North Philadelphia Station, and with the future possibility of direct service to the Philadelphia International Airport.
2. Reestablish the interchange of rail passengers from the South at 30th Street Station and passengers from the North and West at North Philadelphia Station.
3. Relocate the Absecon station at the Garden State Parkway with a park and ride area.
4. Relocate the Atlantic City station back into the center of the City.
5. Completely refurbish the present R.D.C. Budd equipment for use in commuter services to Atlantic City, Ocean City, and Cape May, New Jersey.
6. Completely rehabilitate the roadbed from Frankford Junction to Atlantic City, Ocean City, and Cape May to permit increased speeds beyond the present 50 M.P.H.

7. Purchase an entire fleet of Budd Company's new S.P.V. two-thousand Rail Cars for service on the Philadelphia-Atlantic City Corridor.

In my opinion the legalizing of casino gambling in Atlantic City and the subsequent rash of construction more than justifies the immediate implementation of the above proposals.

In conclusion I hereby offer to meet with this Committee at anytime for the purpose of answering questions and/or discussing the above proposals.

I sincerely appreciate the opportunity to appear before this Committee.

Thank you

Mr. FLORIO. Thank you very much.
Mr. Richey.

STATEMENT OF J. PHILIP RICHEY, CITIZENS ADVISORY COMMITTEE TO THE ATLANTIC CITY URBAN TRANSPORTATION STUDY

Mr. RICHEY. Mr. Chairman, Mr. Hughes, the committee I represent is called the Citizens Advisory Committee to the Atlantic City urban transportation study. It is over 12 years old. It has served in past years as a point for planning recommendations in this area regarding transit from DOT Trenton.

Last year this committee reorganized and expanded its areas of concern, among them integration of the system of transportation between Philadelphia and Atlantic City and other areas nearby. We underwrite nearly everything said here today about south Jersey being shortchanged in respect to funding. With particular concern, we view the ratio base that is used by DOT Trenton in allocating moneys. It is populationwise rather than loadwise oriented.

We would ask that the state be encouraged to relate its assistance to burden rather than to potential votes. We are not optimistic, and these are matters of record in our committee to which I will confine my remarks, we are not optimistic that either Mr. Goldschmidt or Mr. Gambicini will designate significant amounts of public moneys to moving the gambler to the casino. It is not a publicly acceptable application of public moneys, we believe.

Therefore, we advocate maximum assistance, however, by the public agencies in smoothing the way for private industry to come in and perform these services which are in their way a mode of supporting an industry. That those industries must be, in effect, staffed is fundamental and the staffing will come from 60,000 to 75,000 new residences that will be built in this area in the immediate 10 year future.

That does concern us because it underscores the relationship between transportation and housing. Housing continues to be randomly located in these areas at the whim of the defer. Transportation will not become a feasible project for the kind of treatment that we have been talking about here today. Rather, sprawl will overcome sound planning.

We would ask then that this be advocated by your subcommittee a coordination, if possible a ccalition of concern, regarding the planning of unit development in the area and the bringing about of adequate loop feeder transit routes and major loop routes in turn integrated with the proposaled Philadelphia-Atlantic City and area highspeed lines.

We would further ask that the Atlantic City-Atlantic County tension be relieved in the manner of planning for transportation with the recognition there may not be feasible technological compromises between an exclusively dedicated people move inside the city and an exclusively dedicated system of computation from without the city in the area.

Our committee is represented by people from as far north as Port Republic and as far south as the northern end of Cape May County and as far west as Hammonton. We believe we have coverage. We would ask that there be a maximum effort made to generate technological compatability between the people mover services proposed in Atlantic City and the people moving potential of whatever arises out in the county.

We are a concerned group. We want to help you. We are most grateful for your having come here today to afford us this opportunity to speak.

Mr. **Florio**. Thank you very much.
Mr. Rippa.

STATEMENT OF LEN RIPPA, NATIONAL TAXPAYERS UNION

Mr. **Rippa**. Thank you, Mr. Chairman and Congressman Hughes. I appreciate the opportunity to say a few words on the behalf of the National Taxpayers Union.

As you know, we are a national organization comprised of thousands and perhaps when you consider our affiliated organizations, millions of taxpayers that are concerned about how taxpayers' money is being spent. I would like to say right up front that I think the development of Atlantic City has been long over due. I formerly was a resident of the great State of New Jersey and, in fact, I still have a daughter who lives here. I did pay part of the taxes that I think were being extracted out of my personal pocket, and it wasn't National Taxpayers Union money, last evening when I, as a purely experimental project, visited the casino and left a few dollars there for use in building whatever is necessary to be built—a very lovely evening.

As you and as many other people here stated this morning, I am very concerned about the mass transportation needs of the area because of the casino and the industry that has developed from it. The National Taxpayers Union and its members which I represent feel that problem is basically fundamental. It pertains to expenditure of the taxpayers' money.

We all want the money to be spent wisely. We also want the needs of our citizens to be met. I will state right up front again that we are not, I repeat we are not, against trains. We are definitely for whatever is in the best interest of the people in a cost effective manner. We do believe that the Government has an interest in mass transportation, particularly insuring the safe operation of all modes of mass transportation.

However, we believe that further expenditure of tax dollars particularly to develop a merging corridor, as you pointed out earlier, Mr. Chairman, is perhaps not justified, particularly when a private enterprise, the General Electric Co. of France that testified earlier, can and is willing to expend dollars and invest wisely, I think, in this project.

We feel it is vital that all aspects of the mass transportation problems of the country be considered and along with this consideration, I think, it is extremely important that we consider the staggering cost to the taxpayer. The private enterprise that is represented here by the General Electric Co. of France, I think, should be encouraged.

I believe that was a very positive, I think, it was an open discussion, and I think that it should be further explored. We should develop this kind of corridor with private money rather than further expenditure of tax dollars. Perhaps the development of the Philadelphia-Atlantic City corridor by private rather than Federal and State moneys will be a noble experiment and it can be emulted by all the emerging corridors that you have under study and I think probably are very necessary. But, it should be done in a cost effective manner and the revenues should be recovered by the fares and not by the taxpayers.

I appreciate the opportunity to express our views here and I will congratulate you, Mr. Chairman, because I think the interest in the private enterprise system and I am sure you support this, is very essential if we are going to survive. If this country is going to survive we need to encourage that. Thank you very much.

Mr. Florio. Thank you.

Mr. Hughes.

Mr. Hughes. Thank you, Mr. Chairman. I don't have any questions. I just want to thank the panel for their contribution. It is good to see some of my old friends here in this chamber again, particularly when things are so promising.

I will say to you, Mr. Chairman, and to your staff I think it has been an excellent field hearing. It has moved along quite well. We are even going to complete our hearings before the designated hour. So, I just want to thank every member of the staff for their tremendous cooperation and thank the members of my staff also who helped set up the meeting.

Thank you.

Mr. Florio. I would like to conclude by saying I appreciate your participation in the hearing. The principles of at least three of the organizations represented on this panel were very helpful to the subcommittee when we developed the Amtrak legislation. They all didn't come from the same place in terms of philosophy, but their input resulted in a very, very good approach, a much more cost-effective approach to Amtrak routes. As a result of this input from various perspectives, we were able to put together what I think is good legislation.

I am hopeful that in regard to this particular project we will see that same degree of cooperation, that same degree of willingness to contribute one's thoughts, one's efforts and energies so that we can perhaps, in years ahead, look back on today's hearings as a point from which we moved to the successful completion of the Atlantic City-Philadelphia project.

I thank all who are in attendance today, particularly the witnesses on this panel, and look forward to working with all of you toward the successful completion of this project. Thank you very much and this hearing is concluded.

[Whereupon, at 1:20 p.m., the hearing adjourned, to reconvene at the call of the Chair.]

RAILROAD CORRIDOR

THURSDAY, FEBRUARY 28, 1980

House of Representatives,
Subcommittee on Transportation and Commerce,
Committee on Interstate and Foreign Commerce,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to notice, in room 2218, Rayburn House Office Building, Hon. James J. Florio (chairman) presiding.

Mr. Florio. The subcommittee will come to order.

I am pleased to welcome you to hearings that are designed to focus on potential intercity rail passenger corridors where improved service will result in substantial rider increases and significant energy savings.

In light of the energy situation that confronts the Nation, the subcommittee requested last October that the Department of Transportation and Amtrak analyze the potential of upgrading rail corridors throughout the country.

The subcommittee is pleased that the Department of Transportation and Amtrak have furnished us with numerous statistics on ridership, energy, costs, and other factors that are critical to our consideration of new corridors. I am hopeful that the subcommittee can use the information in this study and proceed expeditiously with the development of an emerging corridors program.

I would like to see an emerging corridor program considered in conjunction with Northeast Corridor legislation. The Northeast Corridor project has demonstrated that trains can attract substantial numbers of riders if high quality service is provided.

In light of the energy crisis facing the Nation I believe that transportation funds provided in the windfall profits legislation would be the most appropriate source of funds for corridors. I am prepared to recommend to the subcommittee that we move quickly on legislation to qualify the emerging cars program for windfall profits consideration.

We have a long list of very important witnesses today. Many of our legislative colleagues will be here and so we will be going forward, perhaps out of order, as the Congressmen are able to make themselves available. I see one of our colleagues from the Commerce Committee is here and I would ask Mr. Van Deerlin to come forward. Mr. Van Deerlin has been one of the foremost supporters of this legislation and is a very congenial host. He hosted the subcommittee in California recently. It is my understanding that the sun fails to shine only 2 or 3 days a year in San Diego and we had 2 of them.

Mr. Van Deerlin, we are very pleased to have you here and we thank you for your prior cooperation.

STATEMENT OF HON. LIONEL VAN DEERLIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. VAN DEERLIN. Mr. Chairman, I think it is a propitious sign that your subcommittee starts right on the dot of the time that it sets whether in salubrious San Diego or here in wintery Washington. I think this is a good sign because the subject matter you are dealing with can't wait either and the easy ways of the past must give way to a more determined approach that is reflected in the legislation that you are sponsoring.

Needless to say, the great problems that beset transportation in this country do have their most dramatic highlighting here and to the Northeast States from which you come, one of the most important of them, New Jersey. But I know that you are equally impressed and will be later on in your hearings by the evidence gathered from independent sources that when it comes to putting passenger travel on its feet, a self-sustaining alternative to air and highway travel, that none of the urban corridors that have been examined by these independent viewers can exceed in economy the ability to pay its own way as the high passenger per miles in return of the urban corridor that you were kind enough to examine closely with your subcommittee between San Diego and Los Angeles.

It happens that the area that Mr. Matsui represents, the Sacramento to San Francisco corridor, is equally deserving of attention, and I know that the legislation that you are moving at this time will enable us to begin out on the west coast with our important corridors right along with the improvement in roadbed to provide better service and more economical returns for the Government dollar invested here on the east coast.

Senator Cranston is introducing corresponding legislation, as you know, on the Senate side which will deal with California's problems. The dean of the California delegation, my San Diego colleague Bob Wilson, will not be with you this morning but asked me to bespeak for him of the united support that this approach has in the California delegation. I believe the chairman of our delegation, Biff Johnson, is either here or on his way and you will be hearing from him.

You have been most responsive to our needs thus far. We are only about 10 percent of the representation of the full House but I think I can assure you that that is a 10 percent on whose support and on whose votes you can rely to the man. I appreciate the attention we have had. I hope to have you back in southern California for a literally dry run of the first improved roadbed service, that will get the time between San Diego and Los Angeles down to under 2 hours.

I would like to emphasize the desirability of recognizing the population north of Los Angeles in the San Fernando Valley, which is now about 1½ million people. Like so much of southern California, no matter what we do to try and slow down the influx of population so that we can grow with it rather than against it, they do keep coming and there is simply not going to be any excuse for failing to have through service even though it is going to involve the use of two present railroads rather than one to serve the San Fernando Valley.

I know that you have heard from me enough and I will not impose myself upon you further, but I do implore you to keep this legislation intact as it moves through and let us get to the full needs of the 21st century rather than waiting for the 21st century to come upon us and find us unprepared.

Mr. FLORIO. We thank you very much not only for your testimony today but for your hospitality when we went to San Diego. There were those unkind souls who from time to time said this committee is all wet and perhaps it was not the dryest season when we visited the area.

Mr. VAN DEERLIN. I must say that I do not understand the chairman's continually dwelling upon this point.

Mr. FLORIO. My expectations were so high.

I think it is appropriate at this time that we have your colleague from California make some remarks and then we will open the discussion for questions.

Mr. Matsui, in the short time that he has been on this subcommittee, has brought home very dramatically the importance that he places on the development of corridors in California. He feels very strongly that rail passenger service is very important to California. He has pointed that out to us and we have since verified the fact that the State of California has done much more than most States by using State revenues for rail passenger services. For that effort, the State is certainly to be commended. I am happy to call upon Mr. Matsui.

Mr. VAN DEERLIN. Since he also serves on my Communication Subcommittee, I can say that I know without inquiring how you must have benefited from the inquiring mind that he has brought to bear. He sometime brings more inquiry than the chairman cares for.

Mr. FLORIO. May I present Mr. Matsui.

Mr. MATSUI. Thank you very much, Mr. Chairman.

I have an opening statement but because of the time limitation and the number of witnesses I would like to submit it for the record.

I would like to thank the chairman of the Communications Subcommittee for his testimony today and the assistance he has given this subcommittee during the last few months in terms of the rail corridor issue. His corridor from San Diego to Los Angeles has increased over the last year and I think that indicates the growing need for a rail corridor system in that area, the area where I live, and also the area which would connect Los Angeles and the bay area.

I might further add that 33 Members of the California delegation, over two-quarters of the Members, have signed a letter sent to you and Mr. Madigan, Mr. Chairman, today which basically requests a continuing study for the future development of the corridor of which we have spoken in California and we would like to submit that to you also for the record.

[Mr. Matsui's prepared statement and the letter referred to follow:]

OPENING STATEMENT OF
CONGRESSMAN ROBERT T. MATSUI
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
FEBRUARY 28, 1980

I WOULD LIKE TO THANK THE CHAIRMAN FOR HOLDING HEARINGS ON THE VERY TIMELY SUBJECT OF EMERGING PASSENGER RAIL CORRIDORS. AS THE AVAILABILITY OF FOSSIL FUELS DECREASES, RAIL CORRIDORS ARE BECOMING MORE IMPORTANT AS A STEP TOWARDS ESSENTIAL ENERGY CONSERVATION.

AS WE HAVE SEEN THROUGH TESTIMONY PRESENTED BEFORE THIS SUBCOMMITTEE TWO DAYS AGO, THE NORTHEAST CORRIDOR HAS DEMONSTRATED THAT IMPROVED PASSENGER RAIL BETWEEN DENSELY POPULATED CENTERS IS NOT ONLY PRACTICAL, BUT PAYS ADDITIONAL DIVIDENDS. THE CORRIDOR HAS SPARKED INCREASED RIDERSHIP, IMPROVED AMTRAK'S REVENUES, RELIEVED TRAFFIC CONGESTION, REVITALIZED DOWNTOWN HUBS NEAR REHABILITATED TRAIN STATIONS, PROVIDED JOBS, AND OF COURSE, SAVED ENERGY.

THERE IS NO DOUBT THAT THE NORTHEAST CORRIDOR IS A SUCCESS. BUT IF WE VIEW THIS CORRIDOR AS A DEMONSTRATION MODEL--A PROTOTYPE FOR PASSENGER RAIL SERVICE IN THE NATION--THEN ITS SUCCESS SHOULD ALSO BE MEASURED IN TERMS OF THE NATIONAL NETWORK OF CORRIDORS THAT IT CAN INSPIRE.

IMPROVED RAIL SERVICE CAN PROVIDE SPECTACULAR RESULTS OUTSIDE OF THE NORTHEAST. ONE HAS ONLY TO LOOK AT THE DRAMATIC INCREASE IN RIDERSHIP BETWEEN SAN DIEGO AND LOS ANGELES, WHICH INCREASED BY OVER 40% LAST YEAR. IMPROVED RAIL SERVICE IS ESPECIALLY IMPORTANT IN HIGH-GROWTH AREAS SUCH AS CALIFORNIA, SO THAT THE COMMUNITIES WILL DEVELOP AROUND RAIL CENTERS INSTEAD OF CONGESTED HIGHWAYS.

AN ENORMOUS AMOUNT OF STUDY HAS ALREADY TAKEN PLACE ON ROUTES, CONSTRUCTION, AND RIDERSHIP OF THE VARIOUS CORRIDORS. IN MY STATE OF CALIFORNIA, THE DEPARTMENT OF TRANSPORTATION AS WELL AS NUMEROUS LOCAL GOVERNMENTS HAVE CONDUCTED STUDY AFTER STUDY ON POTENTIAL ROUTES. THESE STUDIES ARE NOW SUPPLIMENTED BY THE LATEST U.S. DEPARTMENT OF TRANSPORTATION/AMTRAK STUDY TO PUT EACH PASSENGER RAIL CORRIDOR IN ITS NATIONAL PERSPECTIVE.

I LOOK FORWARD TO THIS HEARING AS THE FIRST STEP IN AUTHORIZING CONSTRUCTION FUNDS FOR THE NEW CORRIDORS. IT IS MY HOPE THAT FROM THIS PROCESS, WE WILL SEE FIT TO TAKE THE SAME BOLD STEPS THAT CREATED THE NORTHEAST CORRIDOR; BUT THIS TIME FOR A PROGRAM THAT WILL PROVIDE DIRECT SERVICE TO THE REST OF THE NATION.

# # #

FEB 28 1980

ROBERT T. MATSUI
3RD DISTRICT, CALIFORNIA

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
SUBCOMMITTEES:
COMMUNICATIONS
TRANSPORTATION AND COMMERCE

COMMITTEE ON GOVERNMENT OPERATIONS
SUBCOMMITTEES:
COMMERCE, CONSUMER AND MONETARY AFFAIRS
GOVERNMENT ACTIVITIES AND TRANSPORTATION

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Congress of the United States
House of Representatives
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February 21, 1980

The Honorable James J. Florio
The Honorable Edward R. Madigan
Chairman and Ranking Minority Member
Subcommittee on Transportation and Commerce
Interstate and Foreign Commerce Committee
3150 House Office Building Annex #2
Washington, D. C. 20515

Dear Chairman Florio and Congressman Madigan:

In light of your intention to hold hearings and mark-up a bill to authorize new rail corridors, the undersigned California Members reaffirm our support for a corridor in our State. Eventually, that corridor should run from San Diego to Sacramento, serving and connecting the densely populated parts in the south and north of our State. Remarkable ridership gains on the San Diegan foretell the response we might expect if service were expanded statewide.

We realize, however, that there are other worthy projects around the nation, and that you are laboring under severe budget constraints. A good start on a California rail corridor can be made by providing construction funds to improve and increase service on the San Diego-Oxnard and San Francisco-Sacramento routes. It is particularly important that the southern route be expanded to serve the populous San Fernando Valley.

We are confident that our state's burgeoning population will also justify connecting these two corridors by improved and expanded service between Los Angeles and San Francisco. The time for study is past and the time to start building an alternative means of transportation is here. While we do not begrudge the Northeast the $2.5 billion federal expenditure for rail service improvement, we emphasize that other parts of the country need good rail service, too.

The automobile, on which most of California's 22 millions depend, becomes ever less serviceable as congestion mounts. Better Amtrak service would pay tremendous dividends in California. Let's get the work underway.

Sincerely,

Lionel Van Deerlin
LIONEL VAN DEERLIN, M.C.

Robert T. Matsui
ROBERT T. MATSUI, M.C.

PLEASE RESPOND TO: ☐ WASHINGTON OFFICE ☐ DISTRICT OFFICE

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Vic Fazio
VIC FAZIO, M.C.

Edward R. Roybal
EDWARD R. ROYBAL, M.C.

Phillip Burton
PHILLIP BURTON, M.C.

LEON E. PANETTA, M.C.

Tony Coelho
TONY COELHO, M.C.

Bob Wilson
BOB WILSON, M.C.

Glenn M Anderson
GLENN M. ANDERSON

Robert K. Dornan
ROBERT K. DORNAN, M.C.

Bob Lagomarsino
ROBERT J. LAGOMARSINO, M.C.

Carlos Moorhead
CARLOS J. MOORHEAD, M.C.

Henry A. Waxman
HENRY A. WAXMAN, M.C.

GEORGE E. DANIELSON, M.C.

Pete Stark
PETE STARK, M.C.

Don Edwards
DON EDWARDS, M.C.

Jim Lloyd
JAMES F. LLOYD, M.C.

James Corman
JAMES C. CORMAN, M.C.

CHARLES H. WILSON

JULIAN DIXON, M.C.

ANTHONY C. BEILENSON, M.C.

George Miller
GEORGE MILLER, M.C.

Ronald V. Dellums
RONALD V. DELLUMS, M.C.

George E. Brown Jr.

GEORGE E. BROWN, JR., M.C.

Barry M. Goldwater Jr.

BARRY M. GOLDWATER, JR., M.C.

CHARLES PASHAYAN, JR., M.C.

NORMAN Y. MINETA, M.C.

Jerry Lewis

JERRY LEWIS, M.C.

William E. Dannemeyer

WILLIAM E. DANNEMEYER, M.C.

Wayne Grisham

WAYNE GRISHAM, M.C.

John Burton

JOHN L. BURTON, M.C.

Augustus F. Hawkins

AUGUSTUS F. HAWKINS, M.C.

Mr. **Matsui**. With that I will yield back to the chairman.

Mr. **Florio**. Mr. Madigan.

Mr. **Madigan**. Mr. Chairman, I have no questions of the distinguished chairman of the Communications Subcommittee. I do want to express my appreciation to you for taking your time to come out from a very busy schedule to be with us this morning. Someone said that you said if we took care of the trains in California that you were going to take care of the phones in Illinois and New Jersey and we understand that and appreciate it. [Laughter.]

Mr. **Van Deerlin**. I will leave before I get any more on that.

Mr. **Florio**. Without objection, the Chair wishes to place in the record, as though read, the statements of Senators Lloyd Bentsen of Texas, Richard Stone of Florida, and Representative James C. Corman of California.

[The statements referred to follow:]

STATEMENT OF HON. LLOYD M. BENTSEN, A U.S. SENATOR FROM THE STATE OF TEXAS

Senator **Bentsen**. Mr. Chairman, I am pleased to be here today to testify before the Transportation and Commerce Subcommittee on expanded rail transportation corridor service. When the Senate considered the Amtrak Reorganization Act last August, I supported legislation which I felt was a good compromise, allowing a number of routes to be terminated which experienced a high operating loss and low ridership, and continuing others that experienced improved ridership. I believe it is important to maintain a national rail passenger system, and it is my feeling that this can best be accomplished by investing in moderate distance service between major population centers which are likely candidates for efficient, high-speed rail service.

Until the summer of 1979 the American people failed to provide sufficient support for the Amtrak system. They voted with their tickets and too often they voted no. Then, in that summer of energy discontent, ridership boomed. The 1979 surge showed a 15-percent increase in ridership nationwide, and a 27-percent gain in patronage for the three trains that serviced Texas.

In the mid-seventies, the cost of gasoline was around 60 cents per gallon; today it is $1.25. Our annual petroleum import bill then was $25 billion; this year it will be between $75 and $100 billion. In 1975, our oil supply picture was uncertain, but not nearly as uncertain as it is today. After considerable experience with synthetic fuels legislation, it has become clear that synthetic fuels will not be flowing in abundance until well into the 1990's.

The chairman of the Senate Energy and Natural Resources Committee, Senator Jackson, predicts gasoline prices will climb to "close to $2" a gallon by the end of 1980, accompanied by recurring shortages at the pump. The Department of Transportation estimates that, based on the summer of 1979 experience, rail popularity will increase 5 to 10 times the percentage decrease in gasoline availability. "For overall planning purposes," their report indicates, "an average increase of 75 percent over the base levels of—rail—traffic could be expected if an across-the-board 10-percent shortage hit the U.S. gasoline market."

A Transportation Department analysis of fuel efficiency by transportation mode anticipates rail fuel efficiency of 110 passenger miles per gallon by 1985. This compares favorably with automobile passenger miles per gallon of 33, and air travel efficiency projection of 24. Bus efficiency, assumed to be 129 passenger miles per gallon, is not expected to improve significantly by 1985.

The DOT-Amtrak report lists the "Texas triangle," which includes Dallas-Fort Worth, Houston, San Antonio, and Austin, as one of its top preforming corridors of the 13 that were studied. I believe that Texas triangle shows great potential for ridership over the long term, and that substantial evidence exists for support of capital cost financing of rail link improvements between the cities. When the Amtrak Reorganization Act was adopted last August, we agreed that although a regional balance should be maintained in the Amtrak system, by 1985 every existing route should meet minimum performance standards set by Congress. The prescription called for an average of 80 passengers per train mile and a loss of less than 9 cents per passenger mile in operating costs. Congress also mandated that by 1985, Amtrak's revenues must cover one-half of its operating costs. All train frequency and speed combinations studied by Amtrak and the Department of Transportation for the Texas triangle meet this minimum criteria, and in fact, go beyond it. Assuming the price of gasoline is $2.50 per gallon by 1985, at 79 miles per hour, significantly above Amtrak's current average rate of 35 miles per hour in Texas, six round-trips every day of the week would attract enough customers to cover 77 percent of the total costs. Trains operating at a top speed of 110 miles per hour making six round-trips a day would pay for 71 percent of the total costs.

When these statistics are related to actual travel time, the results are even more encouraging. From Dallas to Fort Worth, for example, improved rail service at a speed of 79 miles per hour would transport a commuter in about the same time that a private automobile would take. On a longer haul, from Fort Worth to San Antonio, the 110-mile-per-hour train would complete the trip in just under 4½ hours, while a private car would take more than 5½, and a bus, 6. The Houston-Dallas rail link would take about 3 hours and 45 minutes, and a bus or automobile would take 4½ hours.

Mr. Chairman, I think the joint Department of Transportation-Amtrak report is encouraging, not only for the Texas triangle, but for most of the other corridors studied as well. I believe our experience with Amtrak's performance record has shown us that long haul is generally not feasible. It is inconvenient and fails to attract enough riders to be an economically prudent investment. In the long-haul, other modes of transportation, such as airlines, would make more sense economically. However, short haul between major population centers is competitive with other modes in both convenience and fuel economy. I certainly believe it would be well worth the committee's time to take a closer look at capital cost improvements for these corridors, and with the help of Federal, State, and local authorities, reach a decision on financing and management of efficient corridor service for the future.

STATEMENT OF HON. RICHARD STONE, A U.S. SENATOR FROM THE STATE OF FLORIDA

Senator STONE. The emerging rail corridor concept is the most exciting and encouraging development in rail passenger transportation in many years. Rather than eliminating service or cutting frequencies—something Floridians are very familiar with—Amtrak and the Department of Transportation are studying, at the request of Congressmen Staggers, Florio, and Madigan, increased rail passenger service between selected cities around the country. The preliminary study, "Rail Passenger Corridors" makes a start at analyzing a number of potential routes. Because of the short time period in which the report was written, it makes a number of assertions and assumptions about the routes which will prove inaccurate on closer scrutiny. I would like to point out some of the areas that need closer evaluation in analyzing the Miami-Orlando-Jacksonville route.

I think the emerging corridor concept will be the way of the future for Amtrak expansion. The preliminary results of the February 1980 study indicate that even the poorest performer among the corridors can make a positive contribution to the Amtrak system. So, looking to the future, and recognizing that the expense of automobile travel and air travel will continue to increase, we must begin now to plan transportation alternatives for areas of the country that will be experiencing significant population growth.

It has been apparent for some time that the Nation's population is shifting dramatically to the South and the West. Florida's population growth has consistently outstripped predictions. The latest Census Bureau estimate indicates that by the year 2000, Florida will be the fourth most populous State in the Union, behind only California, New York, and Texas. In terms of growth rates, it and Arizona will be the fastest growing States, both increasing by 56 percent—of course, by that year Arizona will still have only about one-third of Florida's population. The growth rates for most of the Eastern and Midwestern States will be under 20 percent—some, considerably under, note New York, plus 4 percent and Pennsylvania, plus 5 percent.

Transportation problems will follow the people. Florida will be in particularly urgent need of fast, efficient public transportation because not only will it have a large resident population but it will undoubtedly continue to be one of the major tourist destinations for domestic and international travelers. In 1979, more than 35 million tourists visited Florida. Thus, there are nearly four times as many tourists in the State of Florida in a year than there are permanent residents. A growing number of our tourists are from European countries which have extensive national train systems and would therefore, be likely to use a corridor-type service if it ran fairly frequently and went to the main tourist attractions. The September 1979 report done for the Florida Department of Commerce, entitled "An Analysis of the Economic Impact of International Tourism to Florida" finds several interesting facts. More than half of all overseas visitors and more than 80 percent of Latin American visitors make no trips outside the State during their visit. Their travel is primarily between the numerous tourist attractions in Florida. This report identifies some of the major tourist destinations in the State as Disney World, Miami Seaquarium, Sea World, and Busch Gardens. With most international visitors coming into the Miami gateway and visiting tourist attractions in the Miami-Orlando-Tampa areas, certain natural transportation flows for tourists can be seen. Coordination between the tourist attractions and rail stations—that is, shuttle bus—would make the Miami-Orlando-Tampa route a particularly attractive corridor for tourists and for residents visiting the State's attractions. This large number of nonresidents make be taken into account in evaluating the potential ridership in any corridor in Florida.

In addition to this important factor, the Florida Department of Transportation has pointed out—in a letter to Secretary Goldschmidt and Alan Boyd, which is attached—that a large number of residents along the corridor live outside the standard metropolitan statistical areas used to determine demand. Their number will continue to grow. The department's comments on the report also point out the potential for a Tampa leg to the corridor. In assessing the route possibilities, I hope Amtrak would consider the Tampa leg as either part of the Jacksonville to Miami route or as one leg of an alternate corridor proposal—Tampa-Orlando-Miami.

Looking at current demand figures in assessing the strength of a Miami-Orlando-Jacksonville (Tampa) route will give a misleading picture for potential future demand. As Amtrak has noted with regard to several of the potential corridors, the current trains are operated as part of a long distance train and as such their schedules are geared toward the needs of the total route. The current schedule between Tampa and Disney World—Orlando/Kissimee—for example, does not make a day visit to Disney World feasible. For visitors from Miami, an overnight trip to Disney World is not really possible either, under the current schedule. And, of course, capacity constraints as well as a lack of frequency depress the ridership on the intrastate portion of the existing trains.

I believe the potential for high ridership is there because there are great numbers of people moving throught the State on business and on pleasure trips and if given a convenient alternative to renting a car, they would use the train. It will take coordination and cooperation between Amtrak and State officials, as well as with the private tourist attractions, but I believe this can be achieved.

In addition to revising the demographic data upward, Amtrak should revise the costs of upgrading the route downward. The Florida Department of Transportation's comments should be carefully analyzed in this respect. Realizing that the report was done hurriedly, I still do not understand how a figure of $9.4 million was arrived at for station improvements when no new station would be built and all the stations are currently in use. This amount far exceeds all but one of the other corridors analyzed and appears to needlessly escalate the capital costs for this corridor. As the Florida Department of Transportation also points out, the range between the lowest and highest estimates for track and signal expenditures seems excessive, as does the amount stated for grade crossing work. The State of Florida is already providing $350,000 a year in a joint program with Amtrak to install gates and flashers at grade crossings. According to the Florida Department of Transportation, nearly all public grade crossings will have these safety devices within a few years.

Lowering the cost of capital expenditures on this route closer to the Florida DOT's estimate, makes the Jacksonville-Orlando-Miami corridor a much better performer in relation to the other corridors studied. Although I recognize there may be some downward adjustments in other corridors, the over-statement of costs seems particularly high on the Florida route.

Besides having a growing demand for ridership and relatively low startup costs, the successful operation of any new corridors will depend upon having the cooperation of the railroad owning the track. Seaboard Coastline Railroad, over which Amtrak operates in Florida, has been one of the few really willing partners in facilitating rail passenger service in this country. The on-time performance of the trains using Seaboard's tracks has been excellent, usually well above the system average. And compared to a number of the other potential corridors, there is very little present freight traffic on the Miami-Jacksonville route which would need to make way for additional passenger trains.

I will be very interested in the results of the final, comprehensive study of these 13 corridors. I would hope such a study will move ahead quickly. While I will strongly support the rapid development of the corridor project if further study bears out the preliminary findings, this development must be done in a manner, and at a time, which is consistent with the overriding need to balance the Federal budget.

[Letter referred to follows:]

Florida Department of Transportation,
Tallahassee, Fla., March 11, 1980.

Mr. Alan S. Boyd,
President, National Railroad Passenger Corporation.
Mr. Neil Goldschmidt,
Secretary of Transportation,
U.S. Department of Transportation,
Washington, D.C.

Gentlemen: The recently completed joint AMTRAK-U.S. DOT analysis of 13 emerging rail passenger corridors highlights the potential of many alternatives evaluated to improve AMTRAK'S economic performance significantly while saving fuel required to move the people. This potential should be realized rapidly on routes requiring very little upgrading of facilities.

Mr Boyd, you have correctly identified the corridor along the East Coast of Florida, in the November 19, 1979 talk in Chicago, as having the potential for development of high-speed, Japanese-type Bullet Trains. Though the AMTRACK-U.S. DOT analysis did not evaluate such a capital-intense, super railroad approach, the existing AMTRAK Jacksonville-Orlando-Miami route was evaluated with favorable results. Since the route was one of the last two to be added to the evaluation, not as much time was available for analysis. This extreme shortage of time, we believe, may have been responsible for the abnormally high capital cost estimates for the route.

Under further analysis, we believe the Jacksonville-Orlando-Miami route would have very low capital cost and significantly higher demand than projected because of the extremely large 25 percent non-SMSA population along the route. With these changes the route would advance to near the top of the corridor options being evaluated. Additional supporting information on the capital costs, demand, and potential of the Jacksonville-Orlando-Miami route will be developed later in this letter.

The criteria for selecting which corridors and corridor options will be initially developed should include the following three factors in addition to the general requirement of significantly improving AMTRAK's economic and service performance.

(1) The route option should have a low fixed capital cost per projected passenger mile and per projected gallon of fuel saved. This criterion is needed to hold down inflation, federal expenditures, and ensure the route option can be implemented quickly to save energy and improve AMTRAK's performance. The two tables attached show these two relationships for the routes analyzed.

(2) The route option should be in a rapid transportation growth area. This criterion is needed to act as a hedge against inflation for AMTRAK, and to provide a favorable competitive environment for a new or expanded rail service to grow with competition.

(3) The route option should be over railroads whick are willing to and have demonstrated an ability to provide good service to AMTRAK. This criterion is needed to insure timely implementation of quality service. Emphasis must be on the carrot and not the stick, if quality service is to be provided. Later, more reluctant railroads can be engaged with more emphasis on the stick, if necessary.

With the suggested criteria stated, the Jacksonville-Orlando-Miami corridor will be discussed in more detail.

The capital cost estimates on the route, substantially too high, probably were made high to be on the safe side.

The grade crossing cost of $36.1 million also seems high, especially when compared with other corridors. Almost all public crossings on the route will have gates and flashers within a few years. The Florida Department of Transportation in cooperation with AMTRAK, has started a nationally recognized pilot project to install flashing light signals and gates or close all public rail/highway crossings between Tampa and Jacksonville via Auburndale and Orlando. Half of the funds, $350,000 per year, are State funds provided by Florida. The pilot project uses a corridor approach starting at Tampa and working toward Jacksonville. Seven crossing installations have been completed already this fiscal year with 18 installations projected to be complete by July 1, 1980. This segment includes the Auburndale-Tampa segment recommended for inclusion in the corridor.

This rather unique authority to determine safe train speed by one agency rather than by each local jurisdiction would probably make it easier to increase train speeds in urban areas as grade crossing protection is improved.

The initial running time in the corridor with the installation of power switches at the Auburndale connection could approach the study goal without substantial additional capital expenditures. This can be achieved with the elimination of substantial end-point slack time on existing schedules, operation of trains with locomotives other than the speed restricted SPD–40's, reduction of station stop time (because of reduced baggage as compared to the present long distance trains), allowing less time for a short train to be affected and to recover from speed restrictions, the elimination of thirty or more minutes switching time of the Star at Auburndale, and the use of power switches at Auburndale.

Demand estimations in the AMTRAK–U.S. DOT report were made using Standard Metropolitan Statistical Areas (SMSA's). On a corridor like Los Angeles-Las Vegas, this may be adequate since few people live in the mountains and desert between the two SMSA's. The Jacksonville-Orlando-Miami corridor is on the other extreme with about twenty-five percent or 2.5 million people living outside the SMSA's in the corridor. This simplification of the demand modeling which was probably necessary because of time constraints reduces the Jacksonville-Orlando-Miami demand and performance significantly in absolute terms and in relationship to many, if not most, other corridors.

The Jacksonville-Orlando-Miami corridor will grow forty-five percent in population between 1980 and the year 2000. If the short forty-mile Auburndale-Tampa leg is added to the corridor, similar growth will occur and seventy-four percent of the State's year 2000 population will be served. This rapidly growing population base of over ten million people in the year 2000 provides an excellent strong market for AMTRAK to improve its performance. This growth is, of course, in the largest tourist market in the country with a strong, growing, European clientele who are used to riding trains.

The Jacksonville-Orlando-Miami corridor is a viable, low first-capital-cost route over one of the most cooperative railroads which AMTRAK operates over and in one of the fastest growing and transportation-intense areas of the country. The route demand analysis indicates the second highest increase in ridership, if gasoline prices increased from the $1.49 to $2.59 per gallon scenarios. This indicates a high potential for growth as fuel prices increase.

In conclusion, the Jacksonville-Orlando-Miami corridor provides a timely opportunity to implement a viable emerging corridor project with little fixed capital cost and, in time, to upgrade to high-speed, Japanese-styled Bullet Trains.

For the above-stated reasons, we strongly urge you to initiate service in this emerging corridor with two or three trains as soon as equipment is available.

Sincerely,

William N. Rose,
Secretary of Transportation.

Attachments.

FIXED CAPITAL COST PER PASSENGER MILE OVER 10 YEARS—79 MPH, HIGH ENERGY, 2D LEVEL FREQUENCY OPTION

	Frequency	Passenger miles	Low-end fixed capital cost	Fixed capital cost per passenger mile for 10 years life (cents)
1. Washington-Richmond	6	70	$2,500,000	0.36
2. New York-Buffalo	12	466	22,200,000	.47
3. Miami-Jacksonville	6	189	[1] 20,000,000	1.06
4. Los Angeles-San Diego	12	241	25,700,000	1.07
5. Los Angeles-Las Vegas	6	144	11,200,000	1.09
6. Chicago-Detroit	6	156	30,400,000	1.95
7. Sacramento-San Jose	[2] 6	62	12,100,000	1.95
8. Chicago-Twin Cities	6	172	53,200,000	2.16
9. Seattle-Portland	6	83	18,000,000	2.17
10. Texas Triangle	6	440	159,100,000	3.62
11. Chicago-St. Louis	6	133	37,200,000	4.00
12. Chicago-Cleveland	6	151	63,300,000	4.19
13. Chicago-Cincinnati	6	122	74,000,000	6.07

[1] Adjusted low-end fixed capital cost.
[2] Only frequency meeting study criteria.

YEARS OF GASOLINE SAVINGS TO PAY FOR FIXED CAPITAL COST—THIRTEEN RAIL PASSENGER CORRIDORS, SIX TRAINS A DAY FREQUENCY

	Low-end fixed capital cost	Estimated gallons per year saved	Estimated dollars per year saved at $2.50 per gallon	Years for gas savings to equal fixed capital cost
1. Washington-Richmond	$2,500,000	700,000	$1,750,000	1.43
2. New York-Buffalo	22,200,000	5,500,000	13,750,000	1.61
3. Los Angeles-Las Vegas	11,200,000	2,400,000	6,000,000	1.87
4. Miami-Jacksonville	[1] 20,000,000	3,100,000	7,750,000	2.58
5. Los Angeles-San Diego	25,700,000	2,900,000	7,250,000	3.54
6. Chicago-Detroit	30,400,000	2,600,000	6,500,000	4.68
7. Sacramento-San Jose	12,100,000	1,000,000	2,500,000	4.84
8. Seattle-Portland	18,000,000	1,400,000	3,500,000	5.14
9. Chicago-St. Louis	37,200,000	2,200,000	5,500,000	6.76
10. Chicago-Twin Cities	53,200,000	2,900,000	7,250,000	7.34
11. Texas Triangle	159,100,000	7,300,000	18,250,000	8.72
12. Chicago-Cleveland	63,300,000	2,500,000	6,250,000	10.13
13. Chicago-Cincinnati	74,000,000	2,000,000	5,000,000	14.80

[1] Adjusted low-end fixed capital cost.

STATEMENT OF HON. JAMES C. CORMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Corman.** Thank you, Mr. Chairman and members of the subcommittee, for this opportunity to testify in support of the Southwest coast rail corridor proposal before you. The idea of new rail corridors in densely populated areas outside of the northeastern United States is one whose time has come. Your diligent attention to the feasibility of new rail corridors is farsighted and commendable.

The most attactive place in the country for designation of another rail corridor is southern California. Population figures, existing rail facilities, rail ridership statistics, a lack of transportation alternatives and a need for fuel-efficient and nonpolluting transportation systems all point to the region as most deserving of the corridor status. The route from San Diego to greater Los Angeles offers the best value for the lowest price. Whereas equipment and facility improvements in the Northeast will run several billions of dollars but improve Metroliner service only by a few minutes between stations, an investment of $50 million will shave more than 35 minutes from the train schedule between Los Angeles to San Diego and make it possible to extend service through Los Angeles and the San Fernando Valley's 1.5 million residents without changing trains.

Today I ask the subcommittee to focus on the benefits to be gained by extending the proposed corridor north from Union Station in Los Angeles through the San Fernando Valley to Oxnard. The California Department of Transportation (CALTRANS) has expended much effort in studying the practicality of serving this area by rail, and it wholeheartedly supports the extension of the proposed corridor through the San Fernando Valley. An analysis of the reasons evident in southern California which support improved rail service in the region is mirrored in the microcosm of the San Fernando Valley.

The southern California metropolitan area does not stop in downtown Los Angeles. It extends north into the densely populated San Fernando Valley and on to the fast-growing suburban areas of Thousand Oaks and Oxnard. Studies by the Southern California Association of Governments—SCAG—project a leveling off of city populations while suburban populations steadily increase. SCAG reports a present population of 1,123,000 in the San Fernando Valley. While projections for the metropolitan part of the valley indicate an increase of 40,000 in 10 years, the adjacent communities along the northwestern part of the rail route are predicted to face much greater growth. For example, the communities of Thousand Oaks and Oxnard are estimated to have a combined population of 266,000 now, with projected growth of 110,000 people in the next 10 years. Thus surburban growth in Los Angeles and adjacent areas continues unabated while metropolitan city growth stabilizes.

Existing rail facilities in the valley provide an excellent base upon which to build. Southern Pacific now runs two lines through the valley, and both tracks are well-maintained. Passenger trains now run on the track proposed for corridor designation. The stub-end terminal at Los Angeles means that trains would have to make a backup movement into Los Angeles Union Passenger Terminal, a procedure presently done southbound which could be used northbound as well. Modest federal assistance could provide for a pass-through track, and I urge that such a capability be approved. Use of the wye at Chatsworth—Halfway between Union Station and Oxnard—would provide off-line train storage. It should be mentioned that an amalgamated crew agreement between Atchison, Topeka, Santa Fe, and Southern Pacific crews would be required, but it should also be noted that a run-through of San Diegan crews on the additional 28 miles from Union Station to Chatsworth would mean that crews would work 100 percent of their paid miles.

Ridership on a corridor service would benefit from commuter use and from the lack of transportation alternatives. While Greyhound provides limited bus service between Oxnard and Los Angeles, there are virtually no alternatives to the automobile in the area. Valley freeways are among the most congested in southern California, and aircraft service in the area airports is limited and constrained. SCAG commuter traffic data estimates that 234,000 vehicles commute daily from the west end of the San Fernando Valley toward Oxnard, while 474,000 vehicles travel south from the valley to downtown Los Angeles. Corridor rail service would probably pick up large numbers of the people traveling in both directions, and certainly attract those travelling to destinations south of union station. The State and county have been extremely interested in improving passenger rail service on this line, and have moved before the State public utilities commission for authority to use the Southern Pacific line for commuter service. The State, in fact, has already appropriated $4 million to cover any operating deficits in the proposed commuter service, and startup costs are a modest $1.3 million. This financial commitment reflects the State's interest in the route; it is an interest which I am confident would be carried over to the designation of the route as part of the proposed Southwest coast corridor.

I urge you to look closely at the merits of including the rail line from Union Station through the San Fernando Valley to Oxnard as an original part of the Southwest Coast Corridor. Everything is there to justify it. The market within 10 miles of any stop would exceed a million people; the market on the low half of the route would exceed 10,000 per square mile; any stop on the route would enjoy good access to population centers; the route would serve a major tourist market; train crews would be more efficiently worked; area highway congestion would be alleviated and, together with the lack of alternative transportation systems, would encourage train ridership; estimated revenues would exceed direct costs; and good existing rail facilities would offer a base upon which to build.

Creation of a Southwest Coast Corridor from San Diego through Los Angeles and the San Fernando Valley to Oxnard would be a welcome and wise step toward improving passenger train service in an area most suited for it. Again, thank you for the earnest consideration you now devote to it.

Mr. Florio. As I announced previously, today's schedule is going to be somewhat disrupted by virtue of commitments that many of the Congressmen have. Congressman Pursell is here.

Mr. Pursell.

Mr. Pursell. Mr. Wolpe and I would like, Mr. Chairman, a few minutes each since we are teaming up on this bipartisan effort.

STATEMENTS OF HON. HOWARD WOLPE AND HON. CARL D. PURSELL, REPRESENTATIVES IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. WOLPE. Mr. Chairman, thank you so much for the opportunity to appear before your committee this morning. Mr. Pursell and I are here in demonstration of the very strong bipartisan support that exists within the Michigan delegation both for the legislation to stimulate intercity rail travel and specifically for the inclusion of the important Detroit to Chicago rail corridor in the legislation that is currently pending.

I have a statement that I will not read in its entirety in order to save some time but I would like to have it entered in the record.

Mr. FLORIO. Without objection, so ordered.

Mr. WOLPE. What I would like to do is spend a couple moments focusing in on this Chicago-to-Detroit corridor.

Last October, Mr. Chairman, you and a number of the members of this committee requested Amtrak and the Department of Transportation to reexamine rail passenger corridors which have the greatest potential to attract substantial ridership and to save energy. Amtrak and the Department of Transportation identified 11 possible corridors that, if developed, would have the potential of diverting large numbers of intercity travelers from automobiles to more fuel-efficient transportation. One of these was the Detroit-Chicago corridor.

In addition, Amtrak's 5-year corporate plan nominated the Detroit-Chicago corridor as one of two warranting immediate short-term improvements. Moreover, the requested Amtrak-Department of Transportation study which has recently been completed clearly affirms that the Detroit-Chicago corridor can become one of the most cost-effective corridors and merits inclusion in the emerging corridor legislation.

There are a number of factors that make the Detroit-Chicago corridor a prime candidate for major development. The route is 280 miles long, falling within the distance cited by Amtrak as optimum for intercity rail service. It connects the Nation's second and sixth largest metropolitan areas, serving a population of over 12 million. Furthermore, the people who reside in this region have already exhibited their responsiveness to improved rail service. When Amtrak introduced its French turboliners along the route in 1975, ridership quickly increased by approximately 50 percent. This figure is especially impressive in view of the fact that while the Turboliner equipment presented a positive new image for rail travel, the new equipment was not accompanied by either shorter journey times or improved station facilities. In addition to the large population along the Detroit-Chicago corridor, there are approximately 150,000 college students who attend universities along the route. Historically, students have been a prime target group for rail travel.

Another positive factor in the Detroit-Chicago corridor is the availability of connecting feeder rail transportation and intercity bus service at on-line stations. Potential benefits go far beyond the immediate corridor. Feeder lines will serve more distant cities such as Lansing, Grand Rapids, Port Huron, and South Bend, Ind. Further, the Michigan Department of Transportation has developed an aggressive program of model coordination throughout the region.

In considering the Detroit-Chicago corridor as a candidate for major upgrading, it is important to realize that a major initial commitment and investment has already been made by Amtrak and the State of Michigan. In a recently completed 2-year, $9 million program, maximum operating speeds over a part of the route have been increased from 60 miles per hour to 79 miles per hour. In addition to this effort, Michigan is currently participating in a $1.8 million program to upgrade the existing signaling system along parts of the corridor. Generally, efforts to date have been piecemeal and what is now needed is a comprehensive program to update and improve the line so that it may realize its full potential.

It would be my hope that this committee will move expeditiously on emerging corridor legislation and will recognize in that legislation the Detroit-Chicago corridor as a priority.

I would turn to Mr. Pursell.

[Mr. Wolpe's prepared statement follows:]

TESTIMONY OF
CONGRESSMAN HOWARD WOLPE
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
OF THE HOUSE COMMITTEE
ON INTERSTATE AND FOREIGN COMMERCE

FEBRUARY 28, 1980

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU TO DISCUSS THE NEED FOR LEGISLATION TO STIMULATE INTERCITY RAIL TRAVEL AND SPECIFICALLY, TO URGE THE INCLUSION OF THE IMPORTANT DETROIT-CHICAGO RAIL CORRIDOR IN THE EMERGING CORRIDOR DEVELOPMENT LEGISLATION CURRENTLY UNDER CONSIDERATION.

RECENT EVENTS HAVE DRAMATICALLY ILLUSTRATED OUR NATION'S OVER-DEPENDENCE ON IMPORTED OIL, AND REFOCUSED OUR ATTENTION ON THE NEED TO DEVELOP A BALANCED TRANSPORTATION SYSTEM THAT IS LESS PETROLEUM CENTERED. IT NEEDS TO BE EMPHASIZED, IN THIS CONNECTION, THAT TRANSPORTATION ACCOUNTS FOR 54% OF OUR NATIONAL OIL CONSUMPTION. CLEARLY, THE TRANSPORTATION SECTOR MUST BE AT THE CENTER OF ANY ENERGY CONSERVATION PROGRAM. MOREOVER, THE RISING COST OF PETROLEUM ADDS IMMEDIATE URGENCY TO THE DEVELOPMENT OF A BALANCED TRANSPORTATION SYSTEM THAT WILL CONSUME LESS PETROLEUM AND, AT THE SAME TIME, MEET OUR NATION'S REQUIREMENTS FOR MOBILITY. INTERCITY RAIL TRANSPORTATION IS A MAJOR COMPONENT OF A BALANCED ENERGY EFFICIENT TRANSPORTATION SYSTEM.

THERE IS A CRITICAL NEED TO INCREASE THE RIDERSHIP ON INTERCITY RAIL SERVICE, BUT THERE WILL BE NO INCREASED RIDERSHIP UNLESS THE AVAILABLE

SERVICE IS SUBSTANTIALLY UPGRADED. THE EXPERIENCE OF THE NORTHEAST CORRIDOR DEMONSTRATES THAT IMPROVED RAIL SERVICE THROUGH GREATER TRAIN FREQUENCY, NEW ROLLING STOCK TO REPLACE EXISTING CARS AND ENGINES THAT ARE OFTEN 30 TO 40 YEARS OLD, RECONSTRUCTION OF ROAD BEDS TO PERMIT HIGH SPEED SERVICE, AND OTHER IMPROVEMENTS IN PASSENGER SERVICE FACILITIES, CAN IN FACT ATTRACT SUBSTANTIAL NUMBERS OF TRAVELERS AWAY FROM LESS FUEL EFFICIENT TRANSPORTATION.

UNFORTUNATELY, OTHER INTERCITY CORRIDORS HAVE NOT RECEIVED A SIMILAR COMMITMENT OF RESOURCES. I STRONGLY BELIEVE THAT IF THE INVESTMENT WERE MADE TO UPGRADE OTHER INTERCITY CORRIDORS, THIS NATION COULD HAVE A SAFE, MODERN AND EFFICIENT COMPLEMENT TO THE PRIVATE AUTOMOBILE. SIMULTANEOUSLY, WE WOULD SIGNIFICANTLY REDUCE CONGESTION ON URBAN HIGHWAYS, REDUCE DEPENDENCE ON SCARCE FOSSIL FUELS, PROMOTE COMMERCE AND TOURISM, AND CONTRIBUTE TO INTERCITY REVITALIZATION.

LAST OCTOBER, MR. CHAIRMAN, YOU AND A NUMBER OF OTHER MEMBERS OF THIS COMMITTEE REQUESTED AMTRAK AND THE DEPARTMENT OF TRANSPORTATION TO REEXAMINE RAIL PASSENGER CORRIDORS WHICH HAVE THE GREATEST POTENTIAL TO ATTRACT SUBSTANTIAL RIDERSHIP AND SAVE ENERGY. AMTRAK AND THE DEPARTMENT OF TRANSPORTATION IMMEDIATELY IDENTIFIED ELEVEN POSSIBLE CORRIDORS THAT, IF DEVELOPED, WOULD HAVE THE POTENTIAL OF DIVERTING LARGE NUMBERS OF INTERCITY TRAVELERS FROM AUTOMOBILES TO MORE FUEL-EFFICIENT TRANSPORTATION. ONE OF THESE IDENTIFIED WAS THE DETROIT-CHICAGO CORRIDOR. IN ADDITION, AMTRAK'S FIVE YEAR CORPORATE PLAN NOMINATES THE DETROIT-CHICAGO CORRIDOR AS ONE OF TWO WARRANTING IMMEDIATE SHORT TERM IMPROVEMENTS. MOREOVER, THE REQUESTED AMTRAK/DEPARTMENT OF TRANSPORTATION STUDY WHICH HAS RECENTLY BEEN COMPLETED, CLEARLY AFFIRMS THAT THE DETROIT-CHICAGO CORRIDOR CAN BECOME ONE OF THE MOST COST-EFFECTIVE CORRIDORS AND MERITS INCLUSION IN EMERGING CORRIDOR LEGISLATION.

A number of factors make the Detroit-Chicago corridor a prime candidate for major development. The route is 280 miles long, falling within the distance cited by AMTRAK as optimum for intercity rail service. It connects the nation's second and sixth largest metropolitan areas, serving a population of over 12 million. Furthermore, the people who reside in this region have already exhibited their responsiveness to improved rail service. When AMTRAK introduced its French Turboliners along the route in 1975, ridership quickly increased by approximately 50%. This figure is especially impressive in view of the fact that while the Turboliner equipment presented a positive new image for rail travel, the new equipment was not accompanied by either shorter journey times or improved station facilities. In addition to the large population along the Detroit-Chicago corridor, there are approximately 150,000 college students who attend universities along the route. Historically, students have been a prime target group for rail travel.

Another positive factor in the Detroit-Chicago corridor is the availability of connecting feeder rail transportation and intercity bus service at on-line stations. Potential benefits go far beyond the immediate corridor. Feeder lines will serve more distant cities such as Lansing, Grand Rapids, Port Huron, and South Bend, Indiana. Further, the Michigan Department of Transportation has developed an aggressive program of model coordination throughout the region.

In considering the Detroit-Chicago corridor as a candidate for major upgrading, it is important to realize that a major initial commitment and investment has already been made by AMTRAK and the State of Michigan. In a recently completed two year, $9 million program, maximum operating speeds over a part of the route have been increased from 60 mile per hour to 79 miles

PER HOUR. IN ADDITION TO THIS EFFORT, MICHIGAN IS CURRENTLY PARTICIPATING IN A $1.8 MILLION PROGRAM TO UPGRADE THE EXISTING SIGNALLING SYSTEM ALONG PARTS OF THE CORRIDOR. GENERALLY, EFFORTS TO DATE HAVE BEEN PIECEMEAL AND WHAT IS NOW NEEDED IS A COMPREHENSIVE PROGRAM TO UPDATE AND IMPROVE THE LINE SO THAT IT MAY REALIZE ITS FULL POTENTIAL.

A COMPREHENSIVE PROGRAM MUST INCLUDE THE ACQUISITION OF ADEQUATE PASSENGER CARS, THE UPGRADING OF SIGNALS AND ROADBEDS, THE IMPROVEMENT OF STATION AND SUPPORT FACILITIES, AND THE RECRUITMENT OF HIGHLY QUALIFIED PERSONNEL. EMERGING CORRIDOR LEGISLATION MUST ALSO ADDRESS POTENTIAL CONFLICTS BETWEEN PASSENGER OPERATIONS AND SLOWER FREIGHT OPERATIONS. MOREOVER, ONCE THE CORRIDOR UPGRADING WORK IS CONCLUDED, THE CORRIDOR MUST BE MAINTAINED IN PEAK OPERATING CONDITION AND NOT NEGLECTED AS HAS HAPPENED TO OUR NATION'S RAILWAYS SO OFTEN IN THE PAST. IN ADDITION, THE CORRIDOR SYSTEM MUST BE CONTINUOUSLY MONITORED AND ADJUSTED TO MEET WHAT ARE EXPECTED TO BE CONSTANTLY GREATER DEMANDS FOR SERVICE.

FAST AND EFFICIENT INTERCITY CORRIDOR RAIL SERVICE IS NOT A NOVEL CONCEPT; ITS UTILITY HAS ALREADY BEEN PROVEN IN THE UNITED STATES AND THROUGHOUT THE WORLD. THE HIGH SPEED RAIL SERVICES OF EUROPE AND JAPAN ARE AN EXAMPLE OF WHAT A NATIONAL COMMITMENT TO EXCELLENT RAIL SERVICE IN IMPORTANT CITY CORRIDORS CAN PRODUCE. THE NORTHEAST CORRIDOR IN THE UNITED STATES, WHILE ONLY PARTIALLY DEVELOPED, DEMONSTRATES THAT GOOD RAIL SERVICE CAN ATTRACT SUBSTANTIAL RIDERSHIP IN COMPETITION WITH LESS FUEL-EFFICIENT MODES OF TRANSPORTATION. THE SUCCESS OF THIS SYSTEM CAN AND SHOULD BE TRANSLATED TO OTHER INTERCITY RAIL CORRIDORS CONNECTING MAJOR POPULATION CENTERS. IF WE IGNORE THE TREMENDOUS POTENTIAL OF EMERGING CORRIDORS WE WILL NOT ONLY SHORT CHANGE THE ENTIRE RAIL TRANSPORTATION SYSTEM, BUT WE WILL ALSO MISS A MAJOR OPPORTUNITY TO CONTRIBUTE TO OUR STATED NATIONAL GOAL OF GREATER ENERGY SELF-SUFFICIENCY.

IT WOULD BE MY HOPE THAT THIS COMMITTEE WILL MOVE EXPEDITIOUSLY ON CRITICALLY NEEDED EMERGING CORRIDOR LEGISLATION AND WILL RECOGNIZE, IN THIS LEGISLATION, THE DETROIT-CHICAGO CORRIDER AS A DEVELOPMENTAL PRIORITY.

STATEMENT OF HON. CARL D. PURSELL

Mr. **Pursell**. Thank you, Mr. Wolpe.

On behalf of the Michigan delegation, which is bipartisan, we would like to submit for the record a letter from 20 of the 21 that we could get available to indicate our support for development of the addition to your northeast corridor bill. We support that personally and think it is a step in the right direction. Mr. Wolpe and I indicated we would like to see a further extension of that and we realize the cost. As a member of the Appropriations Committee I am always cognizant of that.

There is also testimony from the Michigan rail passengers oriented group, and my formal testimony, also for the record.

For several years historically, Mr. Wolpe serving in the House and myself in the Senate, and others, put together a quadrant in the Michigan legislature a number of years ago to begin funding mass transportation in the broad sense, including rail service, bus lines, and air and other forms in addition to our highway-oriented automobile industry to meet the enormous and vast population needs in Michigan. Mass transportation for Michigan was really one of the most historical developments in the country, particularly coming from the auto-oriented industry that we have.

Now the national situation is really acute. I am disappointed and frustrated at the lack of the support outside of people like yourself and others who are supporting public transportation in general. We know that this country is years behind in the development of public transportation for many of our country's citizens. So the thrust of your legislation and our request from the Michigan delegation and others in the Midwest have a great geographical interest but it is beyond one corridor.

I think it is a national priority, a national commitment. I think it is a major commitment in the Northeast area where many people cannot drive an automobile and need desperately to look at a conservation point of view. We need efficiency, and less land use, moving people quicker and faster and safer from point A to point B. I am hopeful that the committee looks at this in the context of the large dimension of this as a national commitment, and I would hope Amtrak in the development of our passenger rail service in the United States would look at the cost effectiveness of the various corridors.

We understand that the Chicago-Detroit corridor ranks in the top five and from a priority standpoint we know the market is there. The people are there that would support an upgrading of our system in addition to your excellent leadership in developing your particular interest in your areas. So on behalf of the Michigan delegation and Mr. Wolpe, I want to thank you for your time. We would be happy to answer any questions.

[Testimony resumes on p. 391.]

[Mr. Pursell's prepared statement, letter referred to, and statement of the Michigan Association of Rail Passengers follow:]

Statement of
Hon. Carl D. Pursell

Chairman Florio and Colleagues:

Good morning and thank you for the opportunity to appear before the Subcommittee. Congressman Wolpe and I are here to present a Michigan delegation letter affirming Michigan's support and commitment to our nation's railroads through the enactment of emerging corridor legislation. We further wish to indicate the feasibility and practicability of including the Detroit-Chicago corridor as a part of any emerging corrdior legislation. I would like to request that this delegation letter be included in the record. I think it thoroughly exemplifies the bipartisan support for the emerging corridor concept.

While we only received the Federal Railroad Administration/AMTRAK study over the weekend, and thus are hampered by an incomplete examination of its results, I feel the information strongly supports the fact that an emerging corridors program needs immediate Congressionnal and Administrative support and action. This is not a new theorum. Past studies, such as AMTRAK's 1978-1982 Five Year Corporate Plan, have already pointed to the potential of short term corridor development. AMTRAK's 1979 Legislative Report and the Subcommittee-requested study just issued recognize that a real opportunity exists to meet the needs of an energy-constrained future in several of the corridors studied. This potential will only increase dramatically in the years ahead.

We don't need additional studies to decide that an emerging corridors program is a viable and worthwhile endeavor. It has already been proven. And the time to proceed and make use of this unique opportunity is now.

AMTRAK, despite its improvements and Michigan's and other states' contributions to many facets of train service, represents nothing more

THAN A BASE TO BUILD UPON FOR THE FUTURE OF THE U.S. RAIL SYSTEM.

THE MOST EFFICIENT WAY TO BUILD ON THE AMTRAK BASE IS THROUGH HIGH FREQUENCY/HIGH PERFORMANCE DESIGNATIONS ALONG 150 - 300 MILE ROUTES LINKING HIGH POPULATION CENTERS. NO SUCH DEVELOPMENT HAS YET OCCURRED OUTSIDE THE NORTHEAST CORRIDOR. YET AMTRAK HAS BEEN IN EXISTENCE SINCE 1971.

EMERGING CORRIDORS PROVIDES A MECHANISM TO FINALLY START BUILDING ON THAT BASE. WITHOUT SUCH A COMMITMENT OUR NATION'S RAIL SYSTEM WON'T DEVELOP. WITHOUT THAT COMMITMENT NOW, TEN YEARS FORWARD WE WILL STILL BE REACTING TO A CRISIS SITUATION RATHER THAN PREPARING AHEAD TO MEET A CRUNCH. WE CAN NO LONGER AFFORD TO SIT ON THIS OPPORTUNITY.

IN CORRIDOR RESEARCH CONDUCTED ON THE NORTHEAST CORRIDOR, IN CANADA AND THROUGHOUT THE WORLD, MARKET RESPONSIVENESS TO INTER-CITY RAIL SERVICE IS FOUND TO REVOLVE CONTINUALLY AROUND TWO PRIMARY SERVICE CHARACTERISTICS: 1) TRAVEL TIME AS DICTATED BY TRAIN SPEEDS; AND 2) FREQUENCY OF SERVICE.

THE EMERGING CORRIDOR PROGRAM CAN ALLOW SYSTEMS TO BE DEVELOPED TO MEET THESE TWO BASIC CRITERIA.

AGAIN, OUTSIDE OF THE NORTHEAST CORRIDOR, NO CORRIDOR IN THE NATION HAS YET BEEN DEVELOPED AND UPGRADED. UNTIL CONGRESS ADDRESSES THIS ISSUE, IT IS UNREALISTIC TO CONSIDER THAT THE GOOD SERVICE WE LOOK FORWARD TO WILL BE REALIZED.

TIME REQUIRED TO COMPLETE UPGRADING WOULD VARY BY CORRIDOR. BUT FOR UPGRADES OF 110 MILES PER HOUR, WHICH INVOLVES NEW SIGNAL SYSTEMS, THE WORK WOULD TAKE FOUR OR FIVE YEARS BECAUSE OF THE EXTENSIVE LEAD TIME NEEDED FOR DESIGN AND PROCUREMENT.

PAST EFFORTS IN UPGRADING THE NORTHEAST CORRIDOR MAY SERVE AS A BASIS FOR CRITERIA USED IN AN EMERGING CORRIDOR BILL. CERTAINLY, ENERGY SAVINGS ARE AND SHOULD BE A PRIMARY CONCERN. ACCORDING TO THE NEW STUDY, AMTRAK OBSERVED A 40.8 PERCENT INCREASE IN RIDERSHIP ON THE DETROIT-CHICAGO LINE DURING THE THREE MONTH PERIOD OF MAY - JULY, 1979 OVER THE SAME THREE MONTH PERIOD IN 1978. OBVIOUSLY, THIS IS A DIRECT RESULT OF SHORT-TERM GASOLINE SHORTAGES. WITHOUT BEING ABLE TO ACCURATELY PROJECT FUTURE RESTRICTIONS, THE NEED AND POTENTIAL IS CLEARLY TOWARD ENERGY SAVINGS.

BASED ON THE STUDY RESULTS, FREQUENCY OF SERVICE INCREASES MAY BE MORE EFFECTIVE IN INCREASING RIDERSHIP THAN INCREASING MAXIMUM SPEED FROM 79 M.P.H. TO 110 M.P.H. THIS IS IMPORTANT WHEN WE CONSIDER THAT THE HIGHER THE PASSENGER MILES PER TRAIN MILE (THE MEASURE FOR PEOPLE CAPACITY ON TRAINS), THE MORE ENERGY SAVINGS.

WHILE EMERGING CORRIDORS IS A PROVEN CONCEPT, CONGRESS MUST CONSIDER AND ADDRESS THE MANY ISSUES INCORPORATED IN ANY SUCCESSFUL EMERGING CORRIDOR PROGRAM. SIGNAL UPGRADING, SECURING ADEQUATE AND APPROPRIATE PASSENGER CARS, STATION AND SUPPORT FACILITIES IMPROVEMENT, ENGINEERING AND DESIGN WORK, POTENTIAL CONFLICTS BETWEEN PASSENGER AND FREIGHT TRAIN CONSIDERATIONS ARE VITAL TO SUCCESS.

MORE SPECIFICALLY, THE DETROIT-CHICAGO ROUTE DESERVES SERIOUS ATTENTION. THAT CORRIDOR STANDS WELL BY ITSELF FOR POTENTIAL RIDERSHIP AND ENERGY SAVINGS. BUT MORE IMPORTANTLY, IMPROVEMENTS ON THIS LINE HAVE POTENTIAL BENEFITS THAT GO FAR BEYOND THE CORRIDOR ALONE. MICHIGAN HAS DEMONSTRATED A STRONG COMMITMENT BY EXPENDING OPERATING FUNDS AND MAKING MAJOR CAPITAL IMPROVEMENTS TO TRACK, SIGNALLING AND STATION FACILITIES ALONG THE CORRIDOR AND THE MANY FEEDER LINES LINKING MICHIGAN'S LARGEST POPULATION CENTERS TO THE PASSENGER RAIL ROUTE. POTENTIAL DRAMATICALLY INCREASES WHEN THESE EXTRAS ARE CONSIDERED.

Further, Michigan is creating a strong relationship to Canada's VIA train service. This is an exciting new development that demonstrates the vast potential to Detroit-Chicago service integration to Toronto, Quebec and the east coast.

In meetings held in past months AMTRAK has formed a commitment to the Michigan/New York goal for cross-Canada service. In support of this commitment, AMTRAK is working on a Detroit-Toledo hook-up to the Lakeshore Limited route as an affirmance to Detroit-east coast service, which is scheduled to begin April 27, until the cross-Canada service is realized.

In closing, a rapid and convenient rail passenger service is essential if we are to have a truly complete transportation system in America. The Detroit-Chicago corridor is one of the best potential rail passenger routes in the country. Failure to encourage rail use would be exceptionally foolish. Let me say that I hope the Subcommittee will recognize the State of Michigan's commitment to the goal of an improved rail transportation system, and more importantly, a responsibility of the Federal government to compliment these efforts.

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 28, 1980

The Honorable James Florio, Chrmn.
Subcommittee on Transportation and
  Commerce
3150 H.O.B. Annex 2
Washington, D.C. 20515

Dear Chairman Florio:

We urge the Subcommittee to include the Detroit-Chicago corridor as an integral component of legislation currently being considered to augment the Northeast Corridor Improvement Project, or, alternatively, as part of any other emerging corridor legislation. While, it has been suggested by some that only the Northeast Corridor be funded by this legislation, we strongly feel that ignoring the tremendous potential of emerging corridors would, in effect, short change the entire rail transportation system.

Emerging corridor legislation provides a mechanism and opportunity to commit ourselves to an improved rail system and its many benefits. Time and again the success of such a system has been proven and, as Europe's example can teach us, now is the time for the U.S. to develop our rail system to a point where ridership and cost-savings can benefit our long term energy and transportation needs.

Despite our inability to review the Federal Railroad Administration finding in the study requested by the Subcommittee, the potential for rail passenger service along population corridors such as Detroit-Chicago have already been demonstrated, as in AMTRAK's 1978-1982 Five Year Corporate Plan, where Detroit-Chicago represented one of two highest potential short term corridor development routes.

Specifically, the Detroit-Chicago corridor can represent much more than an upgrading of that line alone. The State of Michigan has not only voiced, but demonstrated their commitment to our mutual goals of expending operating funds and making major capital improvements to track, signalling and station facilities. While an upgrading of the Detroit-Chicago corridor must rely on a federal commitment of funds, such a program will benefit significantly from the interest and support of the State of Michigan.

Further, Michigan, in conjunction with the New York Department of Transportation and AMTRAK, is beginning to create a strong relationship to Canada's VIA train service. This is an exciting new development that demonstrates the vast potential to Detroit-Chicago service integration to Toronto and Quebec, and the east coast.

Based on these points, we would urge the Subcommittee's thoughtful, positive and immediate consideration of the emerging corridor program and the strong feasibility of including the Detroit-Chicago corridor in that program.

Sincerely,

Carl Levin
CARL LEVIN
Unites States Senate

DONALD W. RIEGLE, JR.
United States Senate

JAMES BLANCHARD
Member of Congress

Bill Brodhead
WILLIAM M. BRODHEAD
Member of Congress

BOB CARR
Member of Congress

Bob Davis
ROBERT W. DAVIS
Member of Congress

JOHN D. DINGELL
Member of Congress

Dale E. Kildee
DALE E. KILDEE
Member of Congress

HAROLD S. SAWYER
Member of Congress

Guy Vander Jagt
GUY VANDER JAGT
Member of Congress

CARL D. PURSELL
Member of Congress

Don Albosta
DONALD J. ALBOSTA
Member of Congress

David E. Bonior
DAVID E. BONIOR
Member of Congress

Wm Broomfield
WILLIAM S. BROOMFIELD
Member of Congress

John Conyers
JOHN CONYERS, JR.
Member of Congress

CHARLES C. DIGGS, JR.
Member of Congress

William D. Ford
WILLIAM D. FORD
Member of Congress

Lucien N. Nedzi
LUCIEN N. NEDZI
Member of Congress

Bob Traxler
BOB TRAXLER
Member of Congress

HOWARD WOLPE
Member of Congress

TESTIMONY OF
JOHN DeLORA

My name is John DeLora, and I am secretary of the Michigan Association of Railroad Passengers, and a director of the National Association of Railroad Passengers, both of which are consumer organizations which favor improved passenger train service.

For those of us who live in Michigan, transportation is rapidly approaching a point of crisis. According to the Automobile Club of Michigan, a survey of 300 gas stations showed an average price of no-lead fuel was $1.28 per gallon and increasing at 2½ cents per week. If the expense were not bad enough, availability is an even bigger problem. Gas is getting very difficult to find at any price after dark and on weekends. Trunkline air carriers are reducing or eliminating air service in medium size cities, buses are not attractive for trips of more than two hours, and Amtrak does not offer enough service to fill even current needs.

Michigan's problem is relevant nationally, because Michigan, by reason of geography, has always been an accurate indicator of national transportation trends. Michigan is a peninsula, and thus is always a branchline for transportation. In order to foster development, the state has historically been a leader in transportation. It was one of the first to develop canals and toll roads, it had the first railroad west of the Appalachian Mountains, it developed the first major interurban system, which in turn made it the first state to have its interurban system collapse. It was one of the first states to build a major freeway system, and was one of the first beneficiaries of expanded air service in the 1950's and 1960's.

Being highly dependent on the auto industry, it was the first state to feel the severity of the energy crunch and thus became a pioneer in state-supported intercity bus and rail service.

The crisis in public transportation that we are currently experiencing will soon be felt in other states. This crisis is not yet to its full extent, and only Federal intervention can resolve a problem of this magnitude. Good transportation is absolutely essential to the commercial and social well-being of this nation. The "emerging corridor" concept of high-speed, high-frequency passenger train service on routes of up to approximately 300 miles is an attractive and practical alternative. Amtrak has proven beyond question that people will ride trains if the service is made attractive to travelers. In the northeast corridor, Amtrak is proving to be an effective replacement to the private auto for intercity travel.

The same holds true elsewhere. In Michigan, before the oil embargo, Amtrak service between Detroit and Chicago was increased from two to three round trips daily, and the result was a 50 percent gain in ridership. There is no denying that the capital necessary for a high-speed corridor adds up to a lot of money, but this expenditure pays rapid dividends. Passenger train service is a capital-intensive industry, and does not return benefits unless it is used intensively. Increasing service frequencies makes the service more attractive to passengers because it allows them to travel when it suits them, and not to have to adjust their schedule to fit the train schedule.

Another benefit is more efficient use of railroad labor. Most train crews, with current slow schedules and low frequencies, can only work a one-way trip within their division without running afoul of a law that prohibits them from being on duty more than twelve hours. For example, an engineer usually reports for duty an hour before the train leaves Detroit for Chicago. This allows him time to perform the necessary tests and checks on his equipment to ensure safe operation. The trip itself takes five hours, thirty-five minutes. With this schedule, it is impossible for him to make a round trip in twelve hours for the same pay as they currently get for a one-way trip.

Michigan has been hit harder by the energy crisis than any other state. Unemployment, due to auto industry layoffs, is far higher than the national average, and shows no prospect of declining in the near future; indeed, it may go still higher. A major project such as the emerging corridor would create any badly needed jobs for unskilled workers. These additional jobs would not only reduce welfare costs for the Federal and State governments, but they would also provide those governments with additional income tax revenue.

The public support for improved passenger train service in Michigan is a matter of record. Michigan and the Federal government in the last 18 months have held three hearings in Michigan regarding improved train service. About two hundred people showed up at those hearings, and all but three (two from Greyhound, and one from a county road commission) favored improved passenger service. In Grand Rapids, citizens filed thousands of petitions with the Governor, requesting service which would mainly operate over this proposed corridor.

United Airlines is eliminating all service to Grand Rapids, Lansing, Flint and Saginaw this year, leaving these cities without trunkline air service. All of these cities already have, or will, under the State Rail Plan, passenger train service which will either operate over or feed directly in the proposed corridor. The four cities mentioned above will add 1.8 million people to the 12.8 million on-line population of the corridor.

In addition, the Chicago-Detroit corridor will link up with Canada's corridor, which extends from Quebec to Windsor. The Canadians are considering terminating their Windsor-Toronto trains to Detroit instead of Windsor because most of the Windsor-Toronto traffic orginates from Detroit. Toronto is a very popular destination from Michigan, and it makes sense to put two corridors together; especially when another government is paying for one of them.

In addition, state plans for Michigan-East Coast service call for operation over the Canadian corridor from Detroit to Hamilton, then to Niagara Falls to New York City over New York's Empire corridor. This would integrate three major corridors with a combined population of over 33 million people.

If Chicago-Detroit is upgraded to a high speed corridor, Chicago-Cleveland service could be significantly upgraded by simply extended Chicago-Detroit trains south to Toledo and on to Cleveland.

We hope that Congress approves funds for work to start on the emerging corridors. It is something that should have been started six years ago when we were first faced with an oil embargo. The longer we wait to rebuild our passenger train service simply extends our vulnerability to another embargo or a revolution in any of our oil supplying nations.

Michigan has the potential for a high speed corridor, it has the public support, it has a state transportation department experienced in rail service, and the Governor and both parties in the Legislature have been willing to put up money to show their long-term commitment to improved rail service. With the additional advantage of linking together other corridors, we feel that the Detroit-Chicago corridor is the ideal candidate for emerging corridor funding, and ask for this committee's support.

STATEMENT OF JOHN M. SULLIVAN, ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY LOUIS S. THOMPSON, DIRECTOR, NORTHEAST CORRIDOR PROJECT, AND ARRIGO MONGINI, DEPUTY DIRECTOR

Mr. SULLIVAN. It is good to be here. Accompanying me this morning are Mr. Thompson and Mr. Mongini, who is Mr. Thompson's deputy.

I will submit my full testimony for the record because it is rather lengthy and gets into considerable detail.

Mr. FLORIO. Without objection.

Mr. SULLIVAN. I would, however, like to make these comments. About a week ago we delivered a joint study called Rail Passenger Corridors. This study reviewed the costs and benefits of various improvements on some 13 rail corridors; namely, San Diego-Los Angeles; Los Angeles-Las Vegas; Chicago to the following points: Minneapolis, Cleveland, St. Louis, Detroit, and Cincinnati via Indianapolis; also Washington to Richmond, Jacksonville to Miami, New York City to Buffalo, Texas Triangle, Seattle to Portland, and Sacramento to San Jose. Five more markets are due for study: Harrisburg to Philadelphia, New Haven to Hartford and Boston, Nashville to Atlanta to Savannah, Cleveland to Cincinnati and Columbus. We will also provide the results of our study on Atlantic City to Philadelphia as soon as possible.

We are happy to work with Amtrak in developing this study at your request. We are concerned that the study be recognized for what it is, a very limited beginning to what should be a long and complex process. In particular I would like to emphasize our view that, one, the study per se is rough and ready. That is, we responded to your request very rapidly and as best we could, but the underlying information definitely needs to be refined. It is not, certainly, a suitable basis for a program decision at this point. I think it is useful in helping to focus our efforts.

No commitment to any program should be made without intense scrutiny, including a full consideration of all alternatives. We would recommend a rigorous test, especially where potential capital investment is large.

None of these considerations should detract from the primary importance of the Northeast Corridor improvement project.

As the Department, Amtrak, and the Congress turn to the issue of possible additional corridor service, I believe a series of issues deserve consideration, and I don't have all the answers to them today:

One, would address the best organizational structure for corridor effort. We believe that could vary from corridor to corridor, but would lean away from a direct DOT role while acknowledging the role of private owners.

Two, who would operate the service? Probably Amtrak, but it could certainly be the State or the State subcontracting to a railroad.

Three, who pays? Because of limited local emphasis, we would look toward 403(b) as a major vehicle.

Four, how can we target existing programs such as grade crossing moneys? This needs to be addressed.

Five, how can we discourage local speed restrictions such as will be discussed in my testimony relative to California?

Six, how can we work well with the owner railroads to share benefits and costs?

If corridors are to be ranked, we propose a mixture of four criteria: One, passenger mile per train; two, short-term avoidable loss per passenger mile; three, revenue/long-term avoidable cost ratio; and four, minimum long-term avoidable loss plus annual capital cost per mile. These are displayed on the chart that Mr. Thompson has with us today.

In short, the study being undertaken, while helpful, raises as many questions as it answers but this is useful in a complex area such as this. Still, the Department is concerned that the study not be used to justify leaping ahead. We are willing to work with the Congress and Amtrak to address these questions, but I don't think haste is desirable. We still have much to learn on the Northeast Corridor improvement project and we must do our homework well if we are to avoid the unfair criticism that the Northeast Corridor improvement project has received.

I guess Mr. Thompson and I, in particular, are well aware of the complexities that you can enter into if you move forward without an adequate and detailed amount of planning. We would be happy to respond to any of your questions.

[Testimony resumes on p. 421.]

[Mr. Sullivan's prepared statement follows:]

STATEMENT OF JOHN M. SULLIVAN, ADMINISTRATOR OF THE FEDERAL RAILROAD ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE, CONCERNING RAIL PASSENGER CORRIDORS

February 28, 1980

I am pleased to testify today about the results of our joint Amtrak/DOT study--performed at your request--concerning upgrading of passenger service in higher density, short-haul markets where there may be some payoff. Last year at this time, the Department and Amtrak were here before this same Subcommittee proposing to discontinue a number of trains which clearly had little hope of either saving energy or returning other benefits for the large subsidies and capital required to operate them. Today, however, we are talking about a somewhat different set of circumstances. Many of the corridor services studied offer more rail competition with buses, air transportation and automobile travel than the routes under discussion last year. At the same time, we are now talking about major new investments rather than a rationalization of an existing network. Both differences are significant.

Let me explain further our concerns. First, our study evaluates potential rail passenger service financial and operating performance in thirteen relatively short distance, high-density markets. The principal bench-marks against which these markets have been measured are the criteria established in the Amtrak Reorganization Act of 1979. These criteria were useful for the purpose of weeding out the poorest performers and reallocating resources within the system of current operations. They are, however, not adequate as a means of judging the prudence of undertaking major new investments in facilities and improvements in service. True, compared to Amtrak's existing operations these markets compare favorably. To the extent we need to improve our intercity passenger transportation system, however, our objective should be to make truly the most efficient use of our limited financial resources. In doing so, we must consider the cost-effectiveness of a wide variety of potential improvements, not just improvements to passenger railroad service. It was not possible to perform this type of alternatives analysis in the brief time available to us, but before any significant commitment of Federal financial resources to upgraded rail passenger service is contemplated, sound public policy requires that such analyses be done.

Second, although Amtrak's principal target for diversion is the intercity automobile traveler, we have found that intercity bus and air travelers could possibly be diverted to corridor-type rail passenger operations. Although also the beneficiaries of public assistance in one form or another, neither the airlines nor the bus industry receive, on a per passenger or per passenger-mile basis, anywhere near the level of assistance provided to Amtrak. Until the effects on intermodal competition of Amtrak's expanding corridor-type operations can be evaluated, I believe we should be cautious in using public funds to influence the competitive balance in these markets.

In view of the many competing demands for Federal resources and the significant uncertainties associated with the results of this study, I caution that the study does not yet establish a basis for an Administration commitment to undertake any new corridor projects.

Our knowledge of these corridors and their potential simply does not furnish us with an adequate information base for making a decision as to which, if any, should go forward. We have, however, learned several lessons on the Northeast Corridor. First, and foremost, is the extreme importance of advance planning and proper scheduling before any work is undertaken. Directly related to this is the need to develop priorities with regard to potential projects. Undertaking work on many corridors simultaneously would strain seriously the trained technical and economic resources available.

A careful reading of the study confirms a lesson which I believe we could have foreseen from the beginning. The real need in many of these corridors is for relatively conventional 79 mile per hour service at higher frequencies. In many cases, this type of service should be demonstrated initially to determine whether there really exists passenger demand potential without initiating a great deal of investment in right-of-way and in stations.

According to the results of the study we have recently transmitted there is at least some basis for thinking that more and better service can be provided in some of the locations studied while improving Amtrak's revenue to cost ratio. However, the study has also revealed that substantial additional capital investment and operating subsidies would be required. Thus, it is essential that any incremental benefits attributable to potential service improvements be weighed against any incremental investments that may be necessary.

I will now discuss the results of our study by addressing the specific questions that we were asked in the October 10 letter requesting this study, and then address some of the policy implications of interest to this Subcommittee. Let me first emphasize that in the time available we havenot been able to do a thorough study of either the costs or the markets, and discussions with the railroads that own the track would need to occur before any estimates could be considered final.

QUESTION 1 WAS TO ASSESS THE POTENTIAL DEMAND FOR SERVICE IN EACH CORRIDOR GIVEN DIFFERENT ASSUMPTIONS ABOUT ENERGY AVAILABILITY AND COST

The first point I want to make in answer to this question is on the overall magnitude of demand in relation to that of the Northeast Corridor. As an example, the San Diego to Los Angeles corridor was the best performing of these corridors. Figure 4-3 in the study (attached) shows the relative magnitude of demand in the two corridors today. It is clear that the

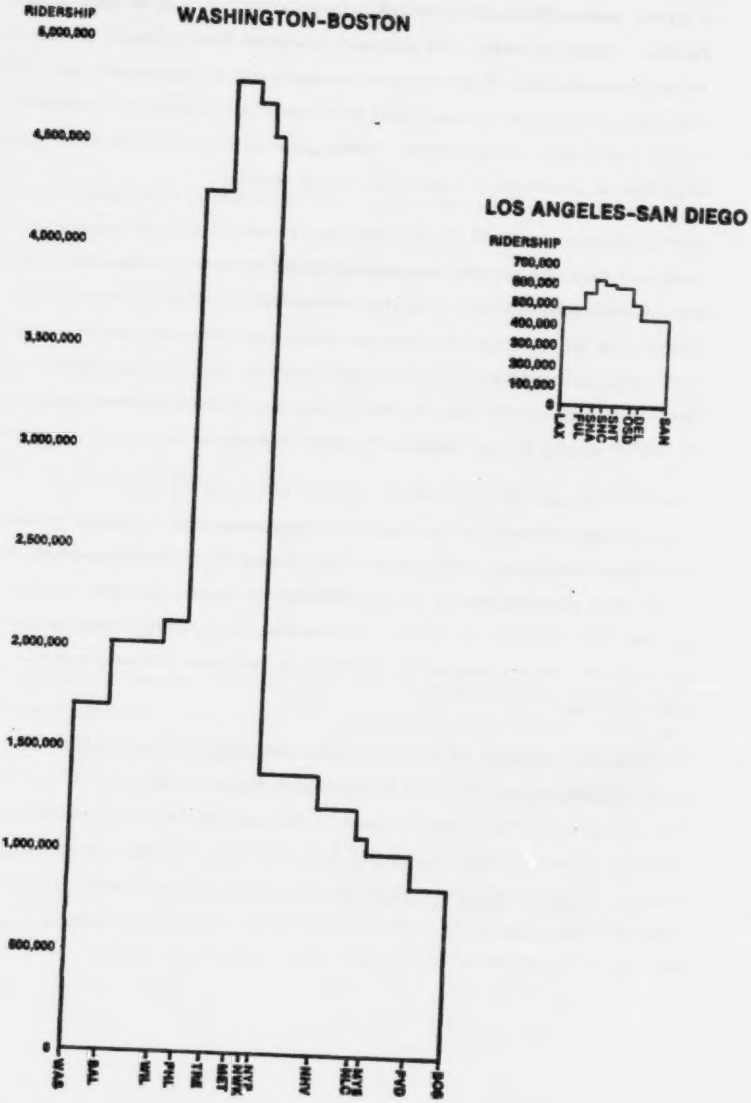


FIGURE 4-3
COMPARISON OF PASSENGER LOADING OF NORTHEAST CORRIDOR
WITH THAT OF MOST HEAVILY LOADED CORRIDOR IN THIS STUDY

passenger volume on the highest part of the San Diego - Los Angeles is considerably lower than even on the lowest volume point on the NEC. By 1985 the NEC volume is expected to increase overall by about 80 percent and the San Diego/Los Angeles corridor volume would increase by about 120 percent if the corridor were upgraded to 110 mph maximum speed with double today's frequency. In 1985, even with a significant upgrading of speed and frequency, the San Diego/Los Angeles volume would still be on the order of only 20 percent of the NEC volumes.

The projected volume in the other corridors is only from 30 to 70 percent as high as that of San Diego - Los Angeles assuming the same type of service, and would therefore be much lower than in the NEC. I say this to keep things in perspective. The NEC has and will have by far the highest passenger density, and deserves the highest priority.

The next important point about passenger demand is the effect of higher speeds. In the NEC we are committed to 120 mph maximum speed. It makes sense here because of the high existing volumes and the possibility of competing with air travel. However, because the automobile is the main competitor in the other corridors and because the potential volumes are much lower, it makes sense to study a more gradual approach. Typically, a maximum speed of 79 mph will mean an average speed of 60 mph including station stops. A 110 mph maximum means roughly a 70 mph average including station stops.

For the four locations where there now is a form of corridor service from 3 to 6 trains per day each way, we are projecting ridership increases of 14 to 55 percent as a result of a combination of corridor upgrading to 79 mph, a higher gas price and, to a lesser extent, population growth. Roughly half of this increase results from the upgrading while the rest derives from the other factors. A further increase in maximum speed--to 110 mph--would only result in further increases in rail passengers from 3 to 23 percent. These are not dramatic changes since in many cases the maximum speed can be reached only on certain short stretches of track without curves or stations.

Increasing frequency of service would most probably lead to more substantial changes in ridership--we believe at least 70 percent--in going from 3 to 6 trains per day, and at least 40 percent in going from 6 to 12 trains per day. Thus where service is at three trains per day, just one more train per day would attract more riders than going that extra step from 79 mph to 110 mph. As frequency is built up the marginal effect of additional trains vis-a-vis higher speed diminishes.

With $2.50 per gallon gasoline instead of our minimum assumptions of $1.40 per gallon there would be further increases in ridership of 10 to 33 percent. This is still a modest ridership increase considering the magnitude of the assumed gas price, which is stated in this year's dollars. In 1985 dollars, $2.50 per gallon of gasoline today could cost $3.50 per gallon, assuming general inflation of 7 percent per year. If there were a 10 percent shortage of gasoline (that is, 10 percent less gas than could be sold at a given price), then we think that rail demand could increase by 75 percent in the short run. However, this figure may not be valid for a long-term shortage involving rationing.

QUESTION 2 WAS TO ESTIMATE THE COST OF UPGRADING TO DIFFERENT LEVELS

I want to emphasize the distinction between the study we furnished to you and previous corridor-type studies that have been done for the Department or Congress. This joint study deals with present-day technology and readily attainable speeds, and, does not envision the extensive rebuilding program that we have undertaken in the Northeast Corridor. Few previous studies have attempted to adapt the capital and operating requirements of each service to the market it is intended to serve. There is no question that the Northeast Corridor justifies the kind of high speed service which we are developing: it is equally clear that most of the other corridors studied do not currently warrant that intensive level of improvement. This would not exclude the long-range possibility of higher speed.

We have examined not only the costs of physically upgrading the fixed facilities but also the costs of rolling stock and the operating costs net of revenues. The capital costs for track and signals were estimated by FRA to be the minimum required to operate at certain maximum speeds (79 mph and 110 mph costs were estimated separately) and for specific frequency levels taking into account specific conditions in each corridor. Amtrak also made a rough estimate of an upper limit of costs to establish a low maintenance track structure capable of higher frequencies. Allowances for station rehabilitation and grade crossings have also been included. The minimum upgrading costs for 79 mph range from $12 million to $192 million, depending on the corridor, and the upper limits range from $35 million to over $300 million. Service at 110 mph would require 1½ to 3 times as much investment to achieve the minimum upgrading required. Amtrak has not made an estimate of the upper limit of costs for 110 mph maximum speeds because of significant uncertainties involving the need to negotiate with the owning railroads.

Substantial capital costs as well as operating subsidies are required in all cases. Both costs are important in relation to the amount of transportation that would be provided for those costs, as measured in passenger miles. Our report points out that the corridors with the lowest costs per passenger mile tend to be ones with high ridership, such as in San Diego to Los Angeles.

We have also looked at the percentage of long-term avoidable operating costs which could be covered by the revenues. This percentage depends on the price of gasoline. The higher the price of gas, the more people would use trains and the more revenue can be generated in relation to cost. For nearly all cases with the high gas price, the revenue to cost ratio exceeds 50 percent, but for the low gas price assumption a significant number of corridors have the ratio less than 50 percent. Amtrak's legislated system-wide goal is 50 percent coverage of cost with revenue by 1985 and corridor upgrading investments should be examined with the clear intent to do better in terms of cost recovery. This is the case in the NEC, for example, where 100 percent coverage has been forecast for 1990.

QUESTION 3 DEALT WITH THE POTENTIAL ENERGY SAVINGS DUE TO UPGRADING

Here again our figures are so rough that it is with some hesitation that we even publish an estimate specific to each corridor. With our simplifying assumptions the fuel savings are directly proportional to the number of rail passenger miles. They will vary with fuel price, frequency, and speed but they do not take into account the special characteristics of each route such as curves, grades, etc. These rough estimates vary from 30 to 50 barrels/day in San Diego-San Jose to upwards of 400 barrels/day in the long corridors such as New York-Buffalo and the Texas Triangle. To show how sensitive these figures might be to different assumptions, if we assumed that the new rail trips were diverted from other modes in the same proportion as was projected for the Northeast Corridor (i.e., more bus, less auto) then the energy savings would be one-third to one-fourth of those stated in the report. I would also point out, for example, that in the Texas Triangle air fares are already significantly below Amtrak fares and it is doubtful that rail service could compete successfully, regardless of what our demand model says. Although energy savings are definitely among the benefits of improved service in upgraded routes of relatively high density, we do not feel that the energy saving dimension of corridor service can be held out as a major justification for undertaking major improvements. The savings are there, but, in light of a need to avert some four million barrels a day of petroleum imports, they are insignificant in the national scheme of things, compared to other transportation policies. We are working with Amtrak to establish a better statistical basis for the fuel consumption of trains as it is related to different size trains and different types of long and short distance routes and different speeds.

QUESTION 4 DEALT WITH THE TIME REQUIRED TO MAKE THE NECESSARY IMPROVEMENTS

In answering this question I will take as a reference point the first year during which funds might be available from an appropriation to do engineering or construction work on any given corridor in the event that a decision were made to work in a particular corridor.

The time required to do the work in connection with a 79 mph upgrade would clearly be shorter than for 110 mph. Some of the more straightforward trackwork requiring little engineering could even be done in the first year, assuming that the railroad crews were available. However, most of the work could not be completed until the second or third season. If there were any grade crossing elimination work in environmentally sensitive areas it could take even longer to obtain the necessary clearances. Moreover, our experience with the Northeast Corridor has shown that a thorough job of planning and engineering must be done before the major work is started, particularly where potential interference with passenger and freight schedules is involved.

I will now address some of the policy implications of interest to this Subcommittee which I have been asked to address in your letter of February 20. Several of these areas represent complex unresolved issues which need to be resolved before any improvement program is developed.

I. Organizational Structure and Management Responsibilities for DOT, Amtrak, and States Under an Emerging Corridors Program

The short answer here is that the best structure would depend very much on the individual situation with each corridor. In each case the precise roles of the Department of Transportation, Amtrak, the States, and the railroads would be somewhat different.

While we have had experience with the NECIP structure, each of the corridor situations is sufficiently different that each has to be reviewed separately. I cannot at this time offer DOT recommendations regarding management structure but I can discuss a range of possibilities for corridor construction and operations as well as finance.

A. Construction responsibilities

Generally the Department's role in any upgrading work contemplated could range from that of contracting agent for both design and construction of each project, at one extreme, all the way to broad oversight over grants to Amtrak and/or States for corridor upgrading.

Similarly, Amtrak could take on more or less responsibility for project priority setting design and construction management, depending on DOT's role. The same could be said of a State. The owning railroad would probably be a contractor or contracting agent for work on its own property.

B. Operations responsibilities

One could utilize the traditional model, with Amtrak as contracting agent for railroad train and engine crews, using Amtrak equipment and on-board personnel, as well as a model in which a State contracts with a railroad to provide the service as in the case of commuter rail. The best solution would depend on the circumstances.

C. Financing Responsibilities

1. State/Regional 403(b) Service

By contrast with the Northeast Corridor, where nine States or political jurisdictions are traversed by the service we are upgrading, most of the corridors studied here are in only a single State or at most two States. This raises the question of whether or not the possible operation of any or all corridor-type trains should be funded through Section 403(b) of the Rail Passenger Service Act. At present Amtrak has such an arrangement with California DOT in the Diego-Los Angeles service.

In the event States would like to see service enhanced on any of these corridors or new service established the Department believes that most additional service should be financed under the 403(b) mechanism. The same question could be raised with regard to upgrading the railroad itself or with regard to equipment requirements. In many cases, a State, sometimes with Federal assistance, has provided funds for upgrading or repair of lines over which Amtrak operates trains. In at least one case a State has actually purchased rolling stock which will be operated by Amtrak. There should be a minimum level of State participation established for this type of capital expense. Section 403(b) provides for State sharing of 50 percent of capital expense, and this should include a considerable degree of responsibility for any corridor upgrading.

2. Commuter-Oriented Operations

A number of these corridors appear to be primarily commuter oriented rather than intercity travel oriented. Where a corridor is primarily commuter oriented, the funding provisions of Section 403(d) should be applied just as they would in the Northeast Corridor and elsewhere 18 months after passage of the Amtrak Reorganization Act of 1979. That is, Amtrak should be reimbursed for the capital and operating cost (net of revenues) of the service by the State or local authority. Appropriate use of available transit capital and operating assistance from UMTA should be explored in such cases.

3. Other Existing Programs

Some of the actions which would be required to upgrade a corridor could be handled under existing programs and under existing funding. The elimination or protection of grade crossings is a good example, where the Department now makes available funds to the States for these purposes both on and off Federal aid systems of roads. State targeting of these funds to corridor routes would enhance the productivity of such improvements.

6. Local Speed Restrictions

Yet another problem is posed by the traditional role which State and local authorities have played in imposing speed restrictions on railroad operations, both for freight and passenger service. For example, local jurisdictions in the State of California have historically imposed speed restrictions. Los Angeles County had a 65 mph limit on all railroad operations within the County. This raises the question of whether there is an overriding Federal interest in maintaining good passenger service which would dictate that speed restriction on Amtrak corridor lines be removed or subjected to Federal jurisdiction or whether, at the very least, the availability of Federal funding for the improvement of a corridor ought to be made contingent upon the removal or upgrading of local speed restrictions which cannot be justified on mandatory safety grounds. In this regard, the recent actions by the State of

California, spearheaded by State Senator Mills who is a member of the Amtrak Board, furnish a good example of enlightened local initiative. In California, the State has recently passed a law invalidating all local speed restrictions unless they have been approved by the State Public Utility Commission. Unfortunately, no action has been taken to improve the speed of operations because of the status of discussions between Amtrak and the Santa Fe Railroad as to improving the trip time schedules. We have estimated that between Los Angeles and San Diego alone these local speed restrictions cost about 15 minutes in the schedule, and their removal would cost essentially nothing.
Although we do not yet have exact estimates it seems clear that similar circumstances would exist for the improved running times in other corridors .

II. Criteria to be Used to Select the Most Promising Corridors

In our report we have looked at three criteria:
passenger miles per train mile, avoidable loss per passenger mile, and ratio of revenue to long-term avoidable cost. I would urge that we not limit our review to these criteria and especially that we not lock in on the numerical standards applied to these criteria in the

Amtrak Reorganization Act of 1979. The minimum standards for short distance routes of 9¢ avoidable loss per passenger mile and 80 passenger miles per train mile were intended to decide whether certain routes which the Secretary recommended for deletion should be retained in the system for further trial operation.

In this case we are talking about the possibility of adding service, sometimes at great capital expense. At this time I am not yet prepared to recommend numerical thresholds but I think it is essential that the criteria be broadened to include consideration of capital cost. We have developed some illustrations of the results that would emerge from applying the various criteria. In Figure 1 of the attachment we have attempted to show each of the criteria as it applies to each corridor under the conditions of $1.40 per gallon of gasoline and 79 mph maximum speed service.

The criterion portrayed on the right-hand side is an attempt to include the capital as well as the operating loss, expressing both in equivalent annual terms, and dividing the sum by annual passenger miles. Figures 2 through 5 show graphically the numerical values associated with each corridor for each criterion. Finally, Figure 6 shows the ranking of each corridor under all of the criteria.

The first point is that the rankings are very similar. We expected this with regard to the first three criteria. The way in which the numbers were calculated would lead to that result since revenues are proportional to passenger miles and many of the costs depend on train miles. It is interesting though that even when the capital costs are added, as in the fourth criterion, the results do not change much.

I hasten to point out here that we have looked only to a limited extent at variations in routings and service patterns in these corridors. We know, for example, that there are some corridor segments which when taken by themselves perform better than the corridor as a whole. Good examples are the Chicago - Milwaukee segment of Chicago - Twin Cities and the New York - Albany segment of New York - Buffalo. These segments may desire closer scrutiny.

III. Incentives to Encourage Rail Freight Carriers to Cooperate in Corridor Projects.

If the railroad over which the Corridor service is to be operated is privately owned, and the vast majority of the railroad trackage involved in this study is privately owned, then an entirely different series of issues is raised that we have not had to resolve in the Northeast Corridor Project.

A. Ownership of and Benefits from Upgraded Lines

In several cases, it appears that some investment would be necessary in order to create extra capacity on the lines that we have studied if additional service were to be run. This may be the case for example in the Los Angeles to San Diego Corridor where an increase beyond six passenger trains a day may call for additional sidings, switches and trackage. While the primary beneficiary of this investment is of course the rail passenger service, it seems equally clear that some benefit will accrue to the freight service as well. Even where additional capacity is not involved, a simple program of upgrading the railroad right-of-way is sure to have at least secondary benefits for the freight operation due to smoother rides, safer operations, and less loss and damage to cargo, among other things. When it is clear that the Federal investment benefits both freight and passenger services, how can the cost of the track upgrading be fairly apportioned between freight and passenger?

B. Railroad Cooperation

Another primary issue revolves around the willingness of the private railroads involved to permit Corridor service to be developed. The attitudes of the railroads with which Amtrak deals cover the full spectrum varying from action interest in and promotion of Amtrak service on the one hand to a clear and public desire to terminate Amtrak's service on the other hand. The latter attitude has been manifested in a lack of cooperation with Amtrak and unwillingness to discuss ways in which the service can be provided, an apparent unwillingness to make efforts to provide on-time service, and a series of other actions.

C. Passenger and Freight Interference

Another issue which will arise on the part of the private railroads is the interference between passenger and freight services. While it is difficult to make a case that a great deal of interference occurs between one passenger train a day and the rest of the freight operations on the line, passenger frequencies of 12, 6, or even 3 trains a day each way do pose the threat of interference between passenger and freight. If this interference does occur and if it does impose additional costs on the private railroad operating the property, how and in what way can the private railroad be compensated for the cost of such interference?

D. Track Degradation

FRA has had some experience with problems of the bankrupt railroads and their inability to maintain their trackage. Specifically, Amtrak contracts with the railroads generally require that all track over which Amtrak trains operate should be maintained to its 1971 level of utility or to the level of utility which it had when an Amtrak train began operating over the track. In many cases, however, it is alleged that the quality of track over which Amtrak trains now operates has fallen below its quality in 1971. If this is true, and if part of the right-of-way investment required for a new corridor program involves correcting deficiencies which have occurred since 1971, then should the Federal government bear the cost or should the private railroad involved bear the cost of bringing the track back up to its 1971 level of utility? I should point out that sound records may not exist which would allow us to know what specific levels of track quality existed in 1971.

IV. Overcoming the Cost and Operational Barriers in Instituting Corridor Service

I have already mentioned a number of the institutional and operational barriers involving the railroads. In addition, there are established mechanisms in the 403 (b) cost sharing program for financing both capital and operating costs and it is feasible that some mix of 403 (b), commuter assistance, and regular Amtrak capital and operating grants could be applied to make some of the improvements that were studied in this report.

Thank you very much for your attention. I look forward to working with the Congress on this issue.

FIG. 1 CRITERIA VALUES AND RANKING

(79 mph maximum speed; frequency at current level or minimum of 3/day; $1.40/gallon gasoline)

CORRIDOR	TRAINS/DAY	PM Per TM		Short Term Avoidable Loss Per PM		Revenue/Long Term Avoidable Cost Ratio		Minimum Long Term Avoidable Loss Plus Ann. Cap. Cost Per PM	
		NUMBER	RANK	¢	Rank	%	Rank	¢	Rank
Chicago - Cincinnati	3	91	13	9.4	11	42	11	23	13
Chicago - Cleveland	3	100	9	7.8	10	46	10	17	11
Chicago - Detroit	3	130	4	3.9	5	59	4	12	5
Chicago - St. Louis	3	104	7	6.2	7	51	7	14	8
Chicago - Twin Cities	3	94	12	7.2	8	47	8	15	9
Los Angeles - Las Vegas	3	127	5	0.7	1	77	1	6	3
Los Angeles - San Diego	6	230	1	2.2	3	67	3	5	2
Sacramento - San Jose	3	102	8	13.5	13	35	13	18	12
Miami - Jacksonville	3	97	11	7.4	9	47	8	13	7
New York - Buffalo	6	149	2	1.5	2	72	2	4	1
Seattle - Portland	3	98	10	9.5	12	42	11	15	9
Texas	3	121	6	4.9	6	55	6	12	5
Washington - Richmond	3	144	3	3.8	4	59	4	7	4

FIG. 2
PASSENGER-MILES/TRAIN-MILES

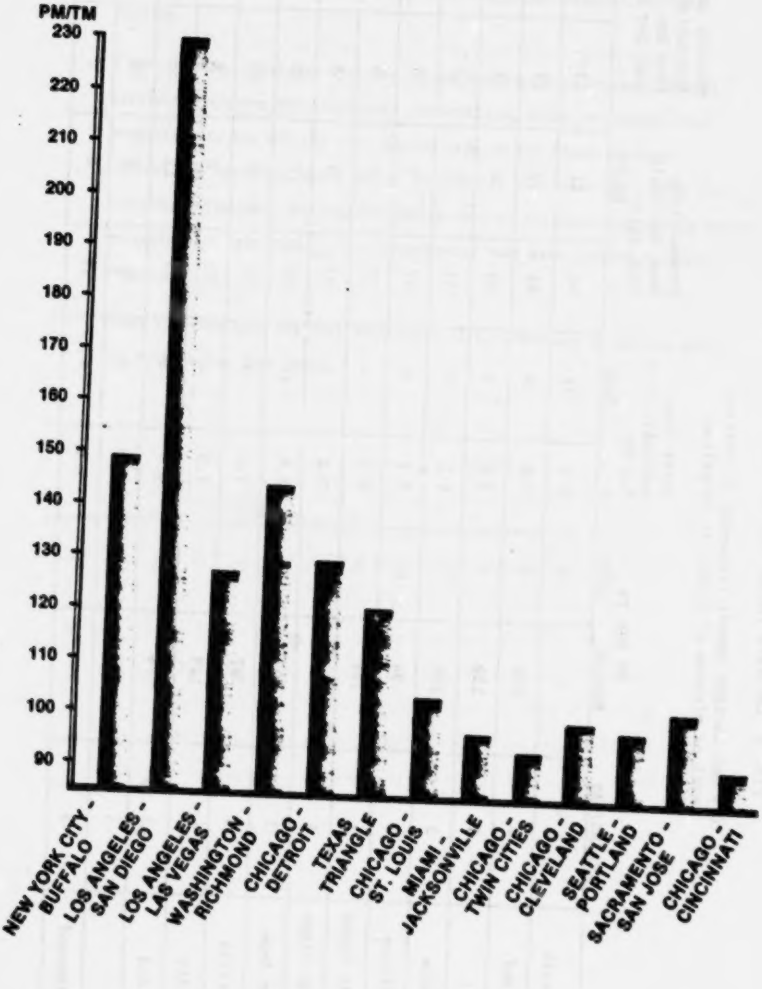


FIG. 3
SHORT-TERM AVOIDABLE LOSS PER PASSENGER-MILE

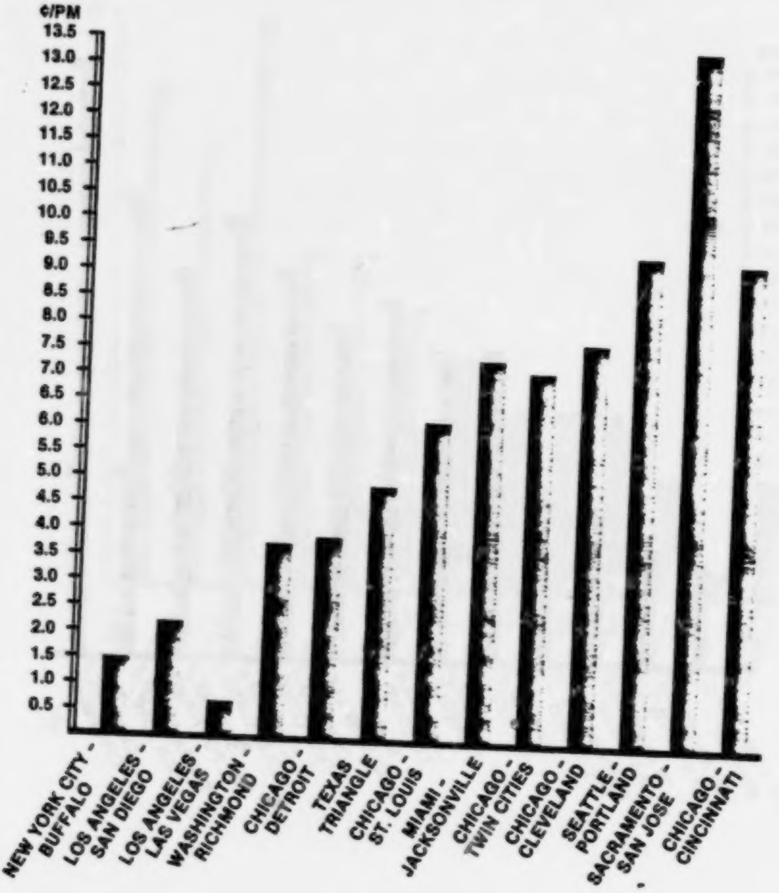


FIG. 4
MINIMUM LONG-TERM AVOIDABLE LOSS
PLUS ANNUAL CAPITAL COST PER PASSENGER-MILE

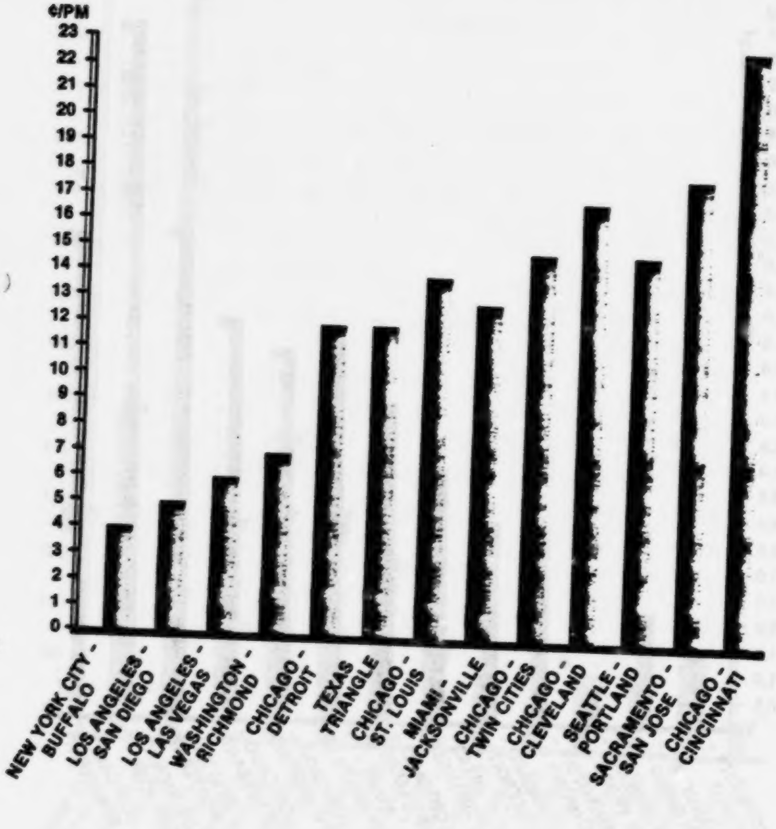
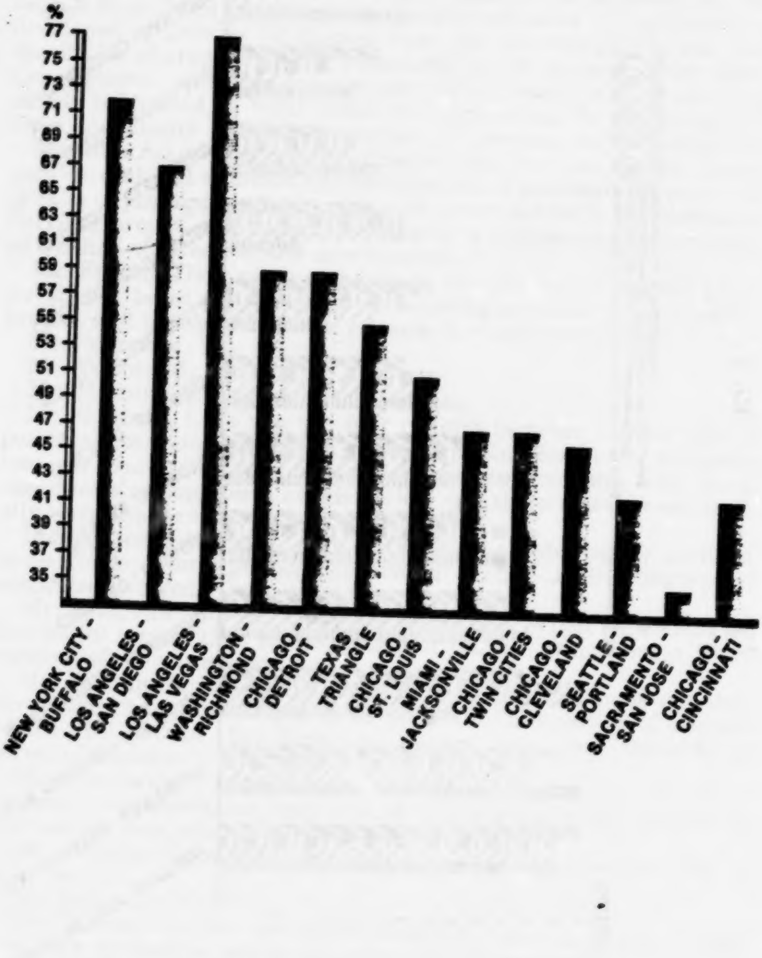
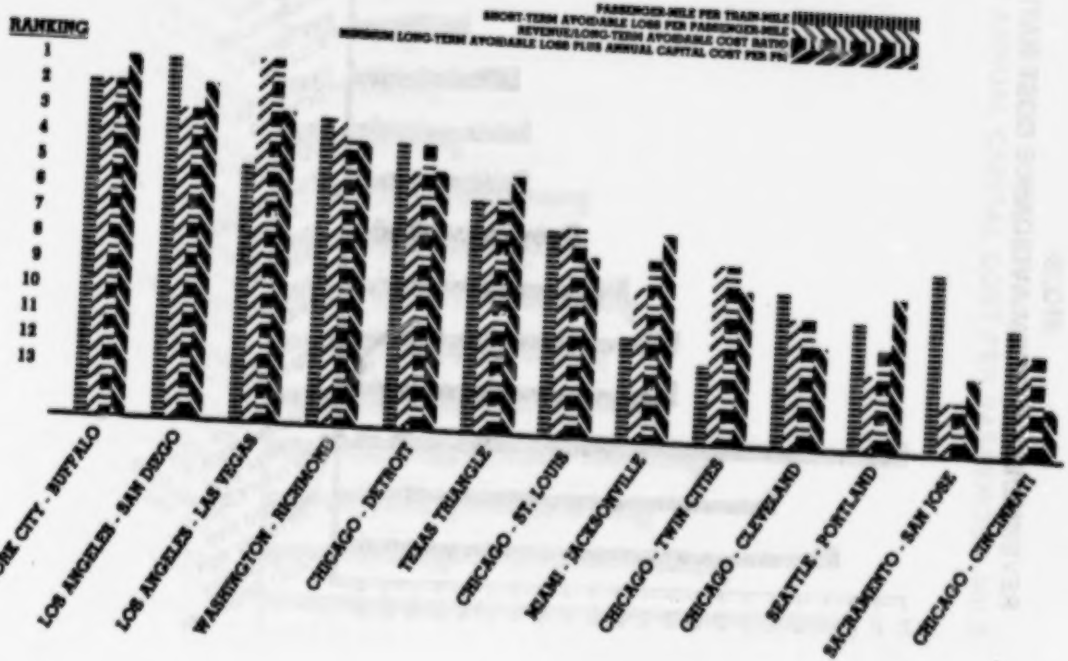


FIG. 5
REVENUE/LONG-TERM AVOIDABLE COST RATIO



-IG. 6


RANKING
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PASSENGER-MILE PER TRAIN-MILE
SHORT-TERM AVOIDABLE LOSS PER PASSENGER-MILE
REVENUE/LONG-TERM AVOIDABLE COST RATIO
MINIMUM LONG-TERM AVOIDABLE LOSS PLUS ANNUAL CAPITAL COST PER PM
NEW YORK CITY - BUFFALO
LOS ANGELES - SAN DIEGO
LOS ANGELES - LAS VEGAS
WASHINGTON - RICHMOND
CHICAGO - DETROIT
TEXAS TRIANGLE
CHICAGO - ST. LOUIS
MIAMI - JACKSONVILLE
CHICAGO - TWIN CITIES
CHICAGO - CLEVELAND
SEATTLE - PORTLAND
SACRAMENTO - SAN JOSE
CHICAGO - CINCINNATI

Mr. FLORIO. Mr Sullivan, I have just one question before going to the other members.

Would you feel comfortable with the legislative charge from this committee to develop the criteria and the program to select the corridors? The next step as I understand it is fairly substantial engineering studies for those corridors that are to be developed. We realize that there are many competing corridors. If legislation is developed to provide for monies from the windfall profits tax, and the FRA's charged with the responsibility of developing the selection criteria and the process for determining which corridors should be funded in what order for engineering do you think you have the ability and the resources to develop such a program?

Mr. SULLIVAN. Yes, sir. In other words, you are saying that a very careful and studious approach to this is necessary to avoid the pitfalls of jumping into a project such as we did with the Northeast Corridor project and instead developing a process and recommended method of selection and development.

Mr. FLORIO. Then recommending to the Congress what the priority should be of the corridors in accordance with the evaluation process and the satisfaction of criteria that are established?

Mr. SULLIVAN. Yes, sir.

Mr. FLORIO. Mr. Matsui.

Mr. MATSUI. Thank you, Mr. Chairman.

Mr. Sullivan, I see you use four criteria in order to rank the 11 potential corridors: passenger miles per train, short-term avoidable loss per passenger mile, revenue/long-term avoidable cost ratio, and minimum long-term avoidable loss and those capital costs actually were the formula built into that.

Did you include also in any of these, as a subcategory perhaps, some funds from the local governing agency or the State that might be involved?

Mr. SULLIVAN. No, sir. These are total costs. When we mentioned the 403(b) routes, that is the section of the law which has a 50/50 sharing of operating costs.

Mr. MATSUI. If, for example, the State of Illinois should say that they would be willing to put in 50 percent of the cost or 40 percent of the cost, would that have any impact upon your thinking in terms of where it would rank?

Mr. SULLIVAN. I would have to believe that under whatever criteria you developed they would automatically be promoting themselves over others who were not.

Mr. MATSUI. If you did further studies, would you include that in your factor?

Mr. SULLIVAN. Certainly.

Mr. MATSUI. So you are saying basically that the figure 6 that you have up here is very preliminary; is that correct?

Mr. SULLIVAN. Yes, sir, absolutely.

Mr. MATSUI. All right. Now what about growth projections in a State or in an area? How did you factor that into your judgment?

Mr. SULLIVAN. Apparently that has not been attempted at this particular point, Mr. Matsui.

Mr. MATSUI. I would think the Northeast Corridor is pretty well built up and the projections indicate a stabilizing or declining population; is that correct? Whereas in some of the Western States, some of the Southern Sunbelt States, we project a rather significant growth projection.

Mr. SULLIVAN. My full testimony points out that——

Mr. MATSUI. I have not had the privilege of reading it because I just received it this morning.

Mr. SULLIVAN. We see that in the Northeast Corridor we have a demand for this service that is five times greater than anywhere else in the country.

Mr. MATSUI. I am not making the suggestion that the Northeast Corridor is not necessary, but I am questioning your formula you used in terms of ranking, and that is what I wanted to focus my attention on. If you didn't take into consideration potential growth projection in terms of population, I find it difficult to understand how you can come up with a passenger mile per train mile formula in terms of your ranking.

Mr. SULLIVAN. These are 1985 projections, Mr. Matsui, but Mr. Thompson would like to elaborate.

Mr. MATSUI. Yes.

Mr. THOMPSON. The study asked for an answer right now about a present set of conditions. I think you would want to highlight future projections as being one of those areas that really deserves a lot of study before you make any decisions. It is a substantial qualification to what has been done so far and I think we should acknowledge that.

Mr. MATSUI. What would you suggest this subcommittee do then in marking up engineering studies? Would you suggest we do engineering studies on all 11 potential corridors or should we eliminate some or what would you suggest?

Mr. THOMPSON. I would think that is a matter that the subcommittee ought to take under consideration. We have no suggestion.

Mr. MATSUI. I understand the ultimate decision will be ours but you are right now giving us 11 corridors and you are ranking them to us according to a formula that you use. You indicate to me that you have not taken into consideration what local and State agencies we will fund in terms of matching or at least a percentage of the funds. You are indicating to me your gross projections are only good to 1985.

Mr. SULLIVAN. No; we say they are cut off as of 1985.

Mr. MATSUI. Cut as of 1985. Obviously we are looking long term into the year 2000. We probably won't even have it completed by the year 1985. How are we then to make an intelligent judgment in terms of marking up a bill? Can you give us some additional thought?

Mr. SULLIVAN. My feeling is consistent with the opening remark that it clearly behooves us to develop a process and a mechanism for doing this study, establishing criteria and pointing the direction so that at whatever point in time any other corridor is actually put into a construction stage we have a lot better preparation than we had in 1976 at the time of the passage of the 4-R Act.

The very physical facts that we are dealing with of acquiring the kind of equipment that is needed are a problem. We are just now getting the first locomotives that we ordered for the corridor a couple of years ago. Projects of this kind would benefit from a congressional mandate that would allow the time to develop the process in a very careful way that would take care of the concerns of every Member from every area that is discussed, because certainly nobody wants to see criteria favor one area versus another. So I think that what we need is the proper process and our caution is that this is a time-consuming long-term proposition. For example, if you told us next week to go out and do all of these corridors, it would be 10 years from now before we had the equipment to do it.

Mr. MATSUI. Are you suggesting that we should spend a little more time in asking you to come back with further refinements in terms of ranking?

Mr. SULLIVAN. Yes.

Mr. MATSUI. What if we decide to pick only three, four, or five, or one?

Mr. SULLIVAN. I think that would be premature.

Mr. MATSUI. If we say we are only going to pick the top six, according to your criteria, you would probably disagree with that.

Mr. SULLIVAN. I think there is a lot to be learned. You have pointed out that different States have a different approach to this than others. I think if the States found an ingenious operator who could operate at lower costs than Amtrak has been able to do in similar markets, I for one, as a taxpayer in that State, would encourage that avenue. Right now we don't know this. There is a lot we need to know before we are put in the position of proceeding with so many unknowns. I think Chairman Florio hit the nail on the head. We need procedure which we would be happy to develop.

Mr. MATSUI. You indicated we would talk about engineering studies. Now is that the first step in terms of construction or is engineering study a study which would then give us further information in order to pick one of the 11 for you?

Mr. SULLIVAN. I will ask Mr. Thompson to comment but we would need a lot more conceptual studies before getting into engineering studies.

Lou.

Mr. THOMPSON. Chairman Florio's first suggestion was, I believe, that we look at the criteria for the priorities, and I would like to emphasize that as well as the issue of detailed engineering studies. I think both of those require further development before any kind of decisions could be made. If there is, again, any lesson out of the Northeast Corridor project it is that enormous benefit comes from doing all of the homework ahead of time before you get started in a project. Now I would defend very strongly the fact that there was no way to get all the homework done in the Northeast Corridor, but we have learned a lot from that and we ought to apply that to this situation.

Mr. MATSUI. So your answer to my question was that you feel that whatever studies we request should really be preliminary and we are not making any final selection, or you think that we should not make any final selection at this particular stage.

Mr. SULLIVAN. Yes.

Mr. MATSUI. Thank you, Mr. Chairman.

Mr. FLORIO. Mr. Madigan.

Mr. MADIGAN. I just want to try to understand this, Mr. Sullivan. I think I understand you to say a whole lot more research needs to be done on this and I certainly agree with that. I would like to ask you a couple of questions about what apparently are the presumptions that have already been made.

I notice that you have ranked the Los Angeles to Las Vegas train No. 3 in terms of what I regard to be the desirability as to this proceeding. I notice that in the summaries that we were given it would be No. 10 in terms of the amount of passenger traffic which you would expect on that train, so I am a little bit confused as to why you would rank it No. 3 when you would consider it to be only No. 10.

Mr. THOMPSON. The rankings that we show there—maybe it would be worthwhile to stand up here and discuss it for a moment. There are four rankings which are shown here in their standard criteria for ranking. The passenger miles per train mile, the short-term avoidable cost per passenger mile, the ratio of revenue to the long-term avoidable cost and then a new measure which we have developed which we believe deserves some consideration, which is the long-term avoidable loss plus an annualized capital cost so that it brings into account all of the factors that affect the cost and the revenues of the operation. These are all ratios, they are not absolute measures in the sense of saying how many people are being served but they are preliminary measures of the economic efficiency and service. That is, Los Angeles to Las Vegas, for example, shows up quite well by this measure because the track is already in such excellent condition that very, very little needs to be done to it in order to run very good trains.

Chicago to Cincinnati shows up quite differently because the track needs an enormous amount of work. So it is being affected by things such as the amount of work that the track needs because of its present condition. These need to be taken into account.

The reason these are ranked in this way, and this is not intended to be any kind of conclusive ranking, simply an answer to the committee's question of how we might start the ranking. They are ranked in this way because if you simple-mindedly average these four criteria you come out with this listing. I don't think anyone would argue right now that that is the final answer or even the right answer to do it. It is an initial answer.

Mr. SANTINI. If the gentleman will yield, some might argue that.

Mr. MADIGAN. Could I have a definition of what you understand capital cost to be?

Mr. THOMPSON. An annualized capital cost includes the 10-year writeoff and a 10-percent cost on the equipment plus a 10-percent annualized cost on the investment in track which is not depreciated by equipment.

Mr. MADIGAN. By equipment, you mean rolling stock?

Mr. THOMPSON. Yes.

Mr. MADIGAN. So that would be why, for example, in the Chicago to St. Louis corridor you have a capital cost estimate here of $113 million. That is the high side of the rank as you estimated here to bring that up to 79 miles per hour maximum speed. I understand the route already is at 79 miles per hour maximum speed and I get that understanding from the information you have submitted. So then I assume that $113 million would all be rolling stock?

Mr. **Thompson**. The table 3-6 on page 34 shows you the capital cost breakdowns associated with the right-of-way itself and shows a rank of between $12.5 to $61 million for the track depending on whether you take a minimum step in order to carry out the action or really a first-class job of doing everything that needs to be done in order to minimize maintenance, and I want to characterize that range that way.

It shows $24 million for grade crossings, about $48 million for signaling. That would be for 110 miles per hour; for 79 miles per hour that signaling money would not be required.

Then there are equipment numbers of somewhere between $18 and $30 million. That is shown on page 35 of the study.

Let me explain the difference between these numbers and the numbers I just gave you. Those are total investment. That is a one time investment. This reflects an annual charge of 10 percent of the investment in the track and fixed facilities and what is called a capital recovery factor, 10 years at 10 percent charge on the equipment, so it is written off every 10 years and then that is converted into an annual dollar figure which is part of the total annual cost of operating the cars.

Mr. **Madigan**. Are all expenditures to get to a 79-mile-an-hour maximum speed corridor consistent with going to 110-mile-an-hour maximum speed corridor? If you got it up to 79 miles an hour and then decided to go on to 110, would everything that you had spent going to 79 be an expense consistent with an ambition of going to 110?

Mr. **Thompson**. I know of nothing that would have to be changed or torn out and replaced if you went to 110. The major difference that we are showing, and this is characteristic of the difference between 79 and 110, is in the type of signaling that you have to install in the cabs of the locomotives. You cannot go beyond 79 miles an hour without having onboard speed control as well as the wayside signals and that is where one of the major expenses occurs.

Mr. **Madigan**. I have one other question that perhaps it is not a fair question to you and perhaps you are aware. I understand that in my State the Illinois Commerce Commission has a fund of money that they receive from some source which can be used and is supposed to be used exclusively for grade crossing protection. Is that something that occurs in every State? Is that money that flows from the Federal Government? Do you know about that?

Mr. **Thompson**. I am not deeply familiar with the details of the Federal Highway Administration's grade crossing program. I don't think it is typical of every State to have a special fund for grade crossing elimination. I think Chicago-St. Louis is one of the corridors which is especially heavily hit by grade crossings and associated problems.

Mr. **Madigan**. Thank you, Mr. Chairman.

Mr. **Florio**. Mr. Santini.

Mr. **Santini**. Thank you, Mr. Chairman.

I want to initially commend you, our astute ranking minority member and our full committee chairman, for initiating this kind of information pursuit. I do believe that the service history of this Nation has had its dismal phases and part of that is reflected in this Catch 22 of ridership standard which assumed lousy service, lousy food, and late trains. Somehow or other you don't get the high passenger ratio but if those administrative conditions can be improved, then the kind of informational pursuit you have launched here is very, very useful. I hope that your effort, Mr. Chairman, taken last year in the passage of the Amtrak restructuring legislation is the first step and I hope this informational analysis effort represents a second step for the gleaning and analysis of information that will aid in arriving at a nation that can contribute more in terms of passenger service to its people than we witnessed in the past.

I am particularly enthusiastic about the criteria you have employed here and feel that they are unimpeachable, valuable, unavailable and should serve as the sole guide and standard for future determinations on which of those rail corridors will receive monetary or governmental assistance.

Could you help me understand just a little more about the criteria that you have employed. Passenger per train mile I guess is self-explanatory. Does it need any elaboration?

Mr. THOMPSON. It is the average ridership on the train, in effect.

Mr. SANTINI. No. 2, short-term avoidable loss per passenger mile. I do not understand that.

Mr. THOMPSON. That is the difference between the revenue collected in what are called the short-term avoidable costs of operating the train divided by the passenger miles. It is a figure which comes out per passenger mile.

Short-term avoidable costs are the really short-term costs such as fuel, crew wages, direct maintenance expenses, things of that sort which would change in the very short run if the train didn't run.

Mr. SANTINI. Long-term avoidable cost ratio would include such matters as track maintenance or upgrading?

Mr. THOMPSON. It would include, I think, measures of track maintenance but more important the kind of annual salary employees who would not either be hired or fired if a train were taken off on any given day but would change over a little bit longer term if you knew a service was going to be added or changed.

Mr. SANTINI. Any other cost factors included in that third category?

Mr. MONGINI. Additional reservation clerks, the things that are not necessarily directly associated with the service but would change over a long period of time. Basically it is 22 percent above the short-term avoidable cost, the factor which was developed by Amtrak in the course of the last year.

Mr. SANTINI. Long-term avoidable loss plus annual capital cost for passenger mile. Could you help me understand that?

Mr. THOMPSON. All right. It might be easier to characterize the annual as annualized.

Second, we have used the minimum on the table that we just discussed. On page 34 we showed a range of capital costs. This uses the low end of that range and it converts the total one time capital costs into an annual series of charges by taking 10 percent of the track investments, which is normally not depreciated, and then by taking what is called a capital recovery factor charge at 10 percent in 10 years and applying it to equipment. I can give you the mathematics of that for the record.

Mr. **Mongini**. Twenty years.

Mr. **Thompson**. The equipment is written off over 20 years rather than 10 years. We can give you for the record the details of how that process is done if you would like.

Mr. **Santini**. You indicated with respect to measurement No. 2 or 3—with one of those two measurements—that it was initiated by Amtrak last year as a factor to be included in an attempt to measure suitability for investment as a passenger service line. Passenger miles per train miles, an established standard.

Mr. **Thompson**. I believe the short-term avoidable loss is in the 1979 act as a criterion for——

Mr. **Mongini**. For whether or not to retain one of the trains that had been recommended for deletion in the route study.

Mr. **Santini**. Short-term avoidable loss then is a congressional standard that was adopted in this study effort?

Mr. **Mongini**. Yes. Per passenger mile.

Mr. **Santini**. The No. 3 is a standard that you applied as a measurement for this particular study?

Mr. **Thompson**. This measure is the one which is most directly translatable into how much the Amtrak deficit would increase if a train is added, so that if you take the long-term avoidable loss of a service in dollars that is how much the Amtrak authorization and appropriation would have to go up in order to carry that train. Any ratio of revenue to long-term avoidable cost less than one indicates that the train would add to Amtrak's annual deficit.

Mr. **Santini**. And No. 4.

Mr. **Thompson**. No. 4 is an attempt to relate the total revenue to the total economic cost, including an annual representation of the capital cost to give an initial feeling for the relationship between the revenue you collect and the economic resources which are being laid out in order to provide this service.

Mr. **Santini**. I want to commend you on this preliminary effort. I just regret the Sacramento-San Jose is so far down the line because I know there is excellent potential there.

Mr. **Matsui**. There certainly is.

Mr. **Santini**. Take that as your first step, your study effort could be characterized as a second. What would you recommend now as a third step that legislative agencies should pursue?

Mr. **Sullivan**. Well, I hesitate at this particular moment to try to lay out specifics, Mr. Santini. Again, I go back to the chairman's opening remarks, which I agree with, and that a lot more work needs to be done in the sense of study and conceptual analysis, pointing toward mechanisms, addressing individual issues such as actual ownership and operation, and what is the best way to get the biggest bang for the buck. I think it is a little premature for me to try to lay out the specifics of that. We, in effect, rushed the study to the conclusion at the request of the subcommittee and we are happy to go further.

Mr. **Santini**. Well, we live life in the world of generalists here. Could you suggest what might be a general goal or what should be next pursued without providing specifics?

Mr. **Sullivan**. A general goal? I would be glad to be a generalist, that seems to fit me more than a lot of other things. If there is any challenge, it is to match the assets that are available to us to the real life demand out in the marketplace in a very sober way because as was pointed out in the discussion the other day on inflation, I think we share a responsibility for proper use of tax dollars. So where Amtrak may say, for instance, that in a corridor that has the demands of five times anything you see here, they are reluctant to commit themselves to covering their operating costs out of revenues.

It scares me if we start considering cases where there is much less demand. I become scared about opening up too much of a liability without sufficient return to the taxpayer and I think that is what we will have to be very cautious about.

We, as you may know, with your knowledge and approval have gone along with a rail-bus experiment in New Hampshire. There is the most energy efficient vehicle in this world. Loaded with about 60 people it can achieve 500 passenger miles per gallon of gas. In light density areas that asset is apt to be ideal for covering, say, a 100-mile radius feeding into a larger point where you may need an actual number of multicar trains. What we want to avoid is hauling large numbers of empty cars across thousands of miles at great taxpayer expense.

I think you can see from the complexity of what Mr. Thompson and what Mr. Mongini have given us here, there are no simple, easy answers. Our challenge is to find the right answer and we would be happy to come back to you with some further information.

Mr. **Florio**. Will the gentleman yield?

Mr. **Santini**. Yes.

Mr. **Florio**. I realize that we are not in a position now to be terribly specific and yet, I think, we have to go beyond convenient generalizations to point out what the next appropriate step is. I think you have provided to us in your testimony some good general directions as to a next specific step. It seems to me that the next step is to set up the process by which we can make specific determinations as to which of the projected corridors are the ones that deserve attention. These corridors should be the focus for the next stage of development, detailed engineering studies.

Then I think it is very important that Mr. Matsui's concern be considered in the process. His concern about taxpayers' money is very legitimate, and to the extent that States, localities, or commuter operating agencies are willing to participate, should be a factor in making a determination as to which of these corridors are the most likely candidates for development. With the changing situation we are facing in terms of gasoline prices, we could soon be in a position to move much more rapidly than we are thinking of now.

My recollection is that approximately $15 billion of the windfall profits tax fund are to be allocated specifically for transportation energy projects. That source of money may make our ability to go forward much easier than perhaps it was just a few months ago. I am inclined, and hopefully the committee will be inclined, to support emerging corridor provisions as part of a Northeast corridor bill that would require FRA, perhaps in consultation with Amtrak, to develop the criteria to find which of these corridors is going to qualify for the development of the engineering studies needed to enable us to move forward beyond that into construction.

Thank you, gentlemen.

Mr. SANTINI. I think the chairman made a very appropriate comment and wrapped up my questions. Thank you very much.

Mr. FLORIO. Mr. Matsui.

Mr. MATSUI. Would the Chair yield?

You know, when I first asked some of my questions they were concerned with outside criteria such as matching money from other agencies, such as growing population, and these kinds of things but I don't want to leave the impression that if we use those four criteria that you have established that as airtight and that your recommendations and criteria is correct because in your report which was delivered last week I think you people readily admit that there are a number of possible errors even in the development with these criteria being used. For example, you people used only the Standard Metropolitan Statistical Area and did not use non-SMSA, is that correct? If that is the case, then that could alter the criteria somewhat, is that correct?

Mr. SULLIVAN. Yes, sir.

Mr. MATSUI. Also, if the rate of fuel should increase once these routes are established, built in the criteria is only the increase in the ridership by the amount of the fuel increase and you don't take into consideration competition in terms of the market with automobile travel and corridor travel, is that correct?

Mr. SULLIVAN. Yes.

Mr. MATSUI. If you should change some of these assumptions, which I don't necessarily agree with, you might have a totally different standard all together, is that correct?

Mr. SULLIVAN. That is correct. I might say that we would certainly give due regard to competitive modes such as the bus. There is no sense going forward with something that would put our whole bus industry out of business because of the love the country has for passenger trains so there are a lot of these things that need to be considered.

Mr. MATSUI. I guess the conclusion that I have been trying to develop, even using your four criteria, you people are not saying that that ranking should necessarily be correct.

Mr. SULLIVAN. Yes.

Mr. THOMPSON. I think we are not admitting it, we are emphasizing it.

Mr. MATSUI. I appreciate that you are here because we requested you to be here.

Mr. SULLIVAN. That is correct.

Mr. FLORIO. I'd like to raise one last point concerning the Atlantic City-to-Philadelphia study that you are undertaking. I think it is a somewhat unique situation. A reputable private company has come forward and said that it would be willing to upgrade the Atlantic City-Philadelphia route at no taxpayers' expense. If some of the institutional or political obstacles could be overcome to coordinate the rights-of-way, this could be a viable alternative. It should be connected to the Northeast Corridor above the 30th

Street Station in Philadelphia. May I assume that in the study of the Atlantic City-Philadelphia route, there will be emphasis placed on these considerations so as to avoid the utilization of taxpayers' money if in fact the corridor can be developed by the private sector?

Mr. SULLIVAN. It would seem to me a project like that would get a very high priority, Mr. Chairman, because obviously we can have thousands of those and not be a drain on the taxpayer. Even if we provided the capital assets involved in the case of a financial failure of the entrepreneur, you could then take those assets and shift them back to Amtrak or some other use.

Mr. FLORIO. Thank you.

Congressman Harold Johnson.

STATEMENT OF HON. HAROLD T. JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. JOHNSON. I understand the California group has joined in concurring with the California Department of Transportation, so I am not going to dwell on that. You already have that in the record.

I appreciate very much the subcommittee going to California and making the study of some of the situations we are dealing with, but I would like to talk to the committee about the matter that affects my first congressional district. The train that has run from Seattle to Oakland comes down through California and at Red Bluff branches off and goes down the west side of the Sacramento Valley, an area that is fairly sparsely settled. We would like to see it come down the east side where the people are. We have some very fast growing counties there.

I understand that the particular route from Seattle to Oakland is a fairly successful operation and I believe that if it were rerouted down the east side of the Sacramento Valley through Sacramento it would even do better and offer service to a lot more people. We have counties that have over 100,000 people. We have cities that go from 50,000 to 350,000, as is true in Sacramento. We estimate that would generate a certain amount of new business that would like to use rail transportation. The stop that is made on the west side of the Sacramento Valley now—most of the people, I would say, that use the train from that particular stop journey over from the east side and board the train on the west side. It is about 30 miles away.

Now if the train were routed down the east side, it would probably make four stops in all in northern California, including Sacramento. I believe you should pick up a good many additional riders. It would serve a great need there for many, many people, especially as it relates to the energy crunch we are in now and the cost of travel that we have now.

When we had passenger train and passenger service, we used both sides, but the east side was used by more people in that area of California than the west side. We do have the train that comes across the country out of Chicago from Reno into Oakland. It runs through a portion of the east side. We think that the best way that our people can be served on the east side of the valley is to reroute the present Coast Starlight that comes down from the north and goes from Oakland to the north.

Washington, Oregon, and California are growing States, California being the most populated State. Northern California is growing very fast. We have about 23 million people in the State and a good percentage of the growth is in the northern end of the State at this time. We are experiencing growth there well above the average in California.

So I would ask the committee to give its consideration, if possible, to the rerouting of this particular train that is now in operation. This does have the support of the State. Certainly we support the complete statement that is offered for the record by a member of your committee, Mr. Van Deerlin. Mr. Wilson, Mr. Cranston, and myself as chairman of the California Democratic Caucus concur in submitting this statement, but I did want to point up our problem in our area. This service could be very easily rerouted, because we had the passenger service there a long time ago on the east side of the valley.

[Statement of the California delegation follows:]

Joint Congressional and State Position
on the
CALIFORNIA RAIL PASSENGER CORRIDOR

Presented by:

Honorable Bob Wilson, Dean
Honorable Harold T. Johnson
Honorable Lionel Van Deerlin
Honorable Alan Cranston
U.S. Senator

to the

Transportation and Commerce Subcommittee
Interstate and Foreign Commerce Committee

February 28, 1980

(Concurring)
California Department of Transportation
Adriana Gianturco, Director

Mr. Chairman and Members of the Subcommittee.

Last month, this distinguished panel traveled to California to take testimony on a proposal to create a "California Rail Passenger Corridor" and heard the Director of our Department of Transportation, Ms. Adriana Gianturco, outline the position of the State of California.

Today, we appear to add the support of the California Congressional Delegation and to encourage your subcommittee to make the necessary Federal commitment, in conjunction with that of the State of California, to the development of our corridor between San Diego and Sacramento.

This 500-mile-long corridor is composed of three segments: Segment 1 from San Diego to Los Angeles; Segment 2 from Los Angeles to the San Francisco Bay Area; and Segment 3 from the San Francisco Bay Area to Sacramento. Segment 2 would include both an inland and coastal route, as well as the services and facilities.

We are well aware of the report this subcommittee requested from the United States Department of Transportation and AMTRAK reexamining the potential of rail corridors outside of the northeast. We note that in response to your initial request, the Administration listed three individual segments in California as having "the greatest potential to attract substantial ridership and save energy." These segments include: Los Angeles to San Diego; Los Angeles to Las Vegas; and San Francisco to Sacramento.

We would like to at this time announce that in a meeting held here in Washington, AMTRAK President Alan Boyd told Ms. Gianturco that designating our entire 500-mile-long corridor "made an awfully lot of sense" to which AMTRAK Group Vice President Clark Tyler agreed and added that they (AMTRAK) would support it.

The California Congressional Delegation agree with Mr. Boyd and Mr. Tyler and will monitor their actions supporting their stated position during the consideration by this subcommittee of emerging corridor legislation.

In addition to the support of AMTRAK and our Delegation, we believe that it makes logical good sense to include the Los Angeles to San Francisco segments in our corridor designation so that as the increases in ridership which are sure to follow occur on the other two segments we can then immediately proceed to "tie the system together" when it is economical. Without this Los Angeles to San Francisco segment designation, we would have to again seek an authorization for this remaining segment.

As Members of the California Delegation, we can assure you that action designating our 500-mile-long corridor will not result in any additional Federal expenditures that cannot be soundly justified on their economic and energy-saving merit. The State of California, likewise, remains committed to its leadership in fiscal discipline and fully supports our joint position.

In support of our recommendation, we will cover the following points: first, the justification for establishing the corridor in its entirety; second, the State commitment to improvements in the corridor; third, a brief description of how we see stages of development; and finally, recommendations for Federal action.

continued ...

JUSTIFICATION

The 500-mile-long corridor stretching from San Diego in the southern part of California to Sacramento and the San Francisco Bay Area in the northern part of our State includes about 20 million people, and is one of the fastest growing and most heavily traveled corridors in the nation. In the past 20-years, our population has increased at a rate almost four times as great as the area currently served by a Federal rail corridor. No doubt this trend will continue through the year 2000.

A good indication that improved rail service in our California corridor will result in dramatic increases in ridership with a resultant better energy usage is seen in the San Diego-Los Angeles segment. Since the beginning of the State's financial involvement, passenger ridership has increased almost 300% and has already surpassed a 1995 ridership projection from a 1976 corridor study. In addition, on our proposed coastal route of our Segment 2, ridership has grown sufficiently to make this AMTRAK's best-patronized, long-distance train -- another reason to include it in an initial designation of a "California corridor."

Air service projections form yet another real indication of the need to designate the entire California corridor. Increased fuel costs in the airline industry has led one airline official to state that: "The climb to altitude eats fuel, and 20-minute hops are murder. We could run every flight to Los Angeles International Airport from San Diego at 110% capacity and lose money." This same statement holds for service throughout the Los Angeles to San Francisco Bay Area corridor -- the world's largest air travel market in terms of annual passengers. As fuel costs increase and without an alternative like rail, where are our constituents to turn?

The cost of auto travel has also increased significantly with the most recent Hertz study stating that the total cost of automobile operation is at 38¢/mile. At this rate, which will no doubt increase with each increase in the price of a barrel of oil, the cost of a 500-mile trip by automobile would be $190 -- significantly higher than the same trip on our California corridor.

Your subcommittee, like all of us in Congress and in state offices, is concerned for the need to conserve energy. When our Calfornia corridor reaches the state-of-the-art of the current San Diego-Los Angeles segment, we'll see 100 passenger-miles-per-gallon. Compare this with auto's 45 and short-haul air service's 30 and yet another justification for designation surfaces.

Finally, our 500-mile-long corridor is not prohibitive and the fact that it has three segments is not unusual. Japan's Tokyo-Hokata Bullet train is 730-miles-long; the northeast corridor is approximately 500-miles-long. The northeast corridor also has several segments which carry heavy traffic and the importance of a continuous route linking has been well established.

STATE COMMITMENT TO IMPROVEMENTS

Our State of California is not merely thinking about a commitment to improving intercity rail service, the State has made a commitment both in legislation and in dollars backing-up that legislation.

continued ...

The California Department of Transportation (CALTRANS) has completed several studies on corridor improvements. All three segments can be supported for initial designation and work throughout the corridor could proceed with a minimal amount of study. Of course, the first and third segments would justify more immediate improvements but even these would be coordinated to be in line with the final goal -- the 500-mile-long corridor.

With this vision to the future while keeping a close eye on our pocketbooks of today, both the affected Representatives in Congress and CALTRANS would suggest that the designated route for the California corridor - by statute - provide for a rerouting of the Los Angeles to San Francisco train via Sacramento, Marysville, and Chico.

In the first California Congressional District represented by Congressman Harold T. (Bizz) Johnson, the support is strong and the reasoning persuasive. Just last week in Chico, California, a standing-room-only gathering joined to support this rerouting. The State has prepared an alignment which would add but 31 minutes to the trip time while at the same time open a million+ population to service.

In 1979 Governor Brown signed legislation appropriating $37 million for capital and operating funds for passenger rail service to implement the previously mentioned studies and plans. Each year California subsidizes the San Diegan trains with nearly $1 million and has recently added a second frequency to the San Joaquin, which was dropped from the basic AMTRAK system last year but kept running via State subsidy.

It is very apparent, then, that California has established and our Delegation has supported a commitment both legislatively and administratively in planning, funding, and implementing improved rail service. To this end, we strongly urge this panel to go beyond more "study money" to actual construction authorizations that can then be appropriated in an economical and energy-efficient manner.

This brings us to the staging and development of the California corridor, as we see it.

STAGES OF DEVELOPMENT

The first stage is the most important, but the least expensive.

The energy picture is changing so rapidly that, while we emphatically support long-range capital improvement programs, we absolutely agree with the statement that immediate steps must be taken to get more trains running in our corridor within the next year or so.

The first stage of the program would start immediately and be implemented within a three-year period to include the following at a total cost of $200 million:

- Major capital improvements on the first segment to reduce travel time 27 minutes at a cost of $70 million.
- Provide safety and operational improvements on the first segment at a cost of $35 million.
- Improve stations on first segment at a cost of $39 million.
- Station improvements on second/third segments at a cost of $20 million.

continued ...

- Major capital improvements on the third segment to reduce travel time 15 minutes at a cost of $36 million.
- Increased train frequencies to have eight trains daily, each way, on the first segment.
- Increased train frequencies to have two trains daily, each way, on both routings of the second segment.
- Increased train frequencies to have five trains daily, each way, on the third segment.

CONCLUSION

Having reviewed the final report of the United States Department of Transportation and AMTRAK on the potential of emerging corridors, we are only reinforced on the need to designate the 500-mile-long corridor, thus connecting the highly recommended segments from Los Angeles to San Diego/Las Vegas -- Sacramento to San Francisco Bay Area to the routes of the future between San Francisco and Los Angeles via the inland and coastal routings.

Mr. FLORIO. Mr. Chairman, we thank you for your statement. Representatives are here from Amtrak and they have a continuing responsibility to review their route structure. I know that they take the responsibility very seriously to reevaluate periodically the viability of their routes. I know they will take to heart your request, and I am sure they will provide to you and to us a response to your suggestion. At that point we will give it the appropriate consideration.

Mr. Matsui.

Mr. MATSUI. I have no questions of the chairman of the democratic California delegation. Thank you very much for appearing here today to testify.

Mr. FLORIO. Mr. Madigan

Mr. MADIGAN. I have no questions, Mr. Chairman.

Mr. FLORIO. Mr. Santini.

Mr. SANTINI. I just wish to make one important correction for the record. He is chairman and dean of the California-Nevada delegation.

Mr. JOHNSON. I am glad you mentioned that because he generally agrees with everything we do in California.

Mr. SANTINI. I know where the numbers are.

Mr. JOHNSON. I want to say, Mr. Chairman, we have talked this over with Amtrak and Amtrak has put in a lot of time and given consideration to it, but there is nothing like a little legislative mandate also.

Mr. FLORIO. We understand that.

Thank you.

We now have Congressman Eckhardt from Texas.

STATEMENT OF HON. BOB ECKHARDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. ECKHARDT. Mr. Chairman, I first would like to compliment you and the chairman of the full committee and your ranking minority member for what I consider to be one of the finest initiatives that has occurred in this period of Congress, and that is the request for the corridor study.

I might say at the outset that, though of course I am interested in my area, I think the members of this committee know I have always supported Amtrak although most of the passenger service was in the eastern corridor which, as these studies show, has really paid off; it is an extremely important area. California certainly could rival the eastern corridor eventually, and I think that points up something that ought to be considered in this whole picture and that is the pattern of growth.

These studies are excellent studies but they deal, of course, with what now exists and we are talking about the future as well as the present. I think that on that basis a particularly good case can be made for the Texas Triangle. The Texas Triangle, it is true, would be the longest total track mileage of any of these suggested corridors, yet it does measure about sixth on most of the evaluations of the Department.

One thing though that I think needs to be considered is that there are two population areas in Texas located at about the same distance between each other as Washington, D.C., and New York; that is, the Dallas-Fort Worth area and the Houston area, each of which has a population of around 2½ million people.

We are not talking about something really new. I have in the past done a lot of railroad travel between Houston and Dallas because I had a major client in Dallas. I was living in Houston where my law office was located, and I formally taught theory of flight in the flying school, and he said, "He is teaching theory of flight and he has never been over 15 hands high." I had some concerns about the theory of flight, and sometimes I thought it was pretty largely theoretical, so at that time I usually traveled by train.

There was at that time—and that has not been too long ago, largely during the 1950's—three trains that left Dallas and Houston, which crossed each other enroute for the other city, all traveling virtually full. There was the Rocket, the Zephyr, and the Sunbeam. Each of these traveled virtually full, but as you know well during that period of time the railroads were trying to get rid of their passenger business, so they did everything they could to prevent the air-conditioning from working in the trains, which is a disaster in the Southwest as any of you who have traveled down there on the exploratory trips know. Besides that, the trains began to run late because they were not well kept up and eventually they succeeded in running their passengers off. Those trains ran at an average of 60 miles an hour with several stops on the way. The Sunbeam, for instance, was a steam engine, and still made the route at a mile a minute. I have clocked the Rocket at about 86 miles an hour. It was a lighter train and on relatively light track.

I understand from the studies that we have before us that a 60-mile-an-hour rate may be maintained by hitting a maximum of about 79 miles an hour. My experience was that the Rocket went faster than that to make the stops and still make the time.

I understand that the proposal of Amtrak is to try to get maximum speeds of 120 miles an hour, and of course I suppose in the interim they are talking about around 110, which would give about a 70-mile-an-hour average. Now, had that time been maintained between the cities I am describing, I just don't know how you could have taken care of the traffic without multiplying the number of trains, largely because our own actual experience between those two towns illustrated the feasibility of such traffic.

There is one other thing that I think ought to be considered in this particular route, and that is that all of the proposed areas listed ahead of the Texas Triangle have daily railroad service. I think we need to look, too, not only at the question of practical feasibility from the very standards described here but the standpoint of the need. There is in Texas only one daily train today, the Inter-American, that goes through Dallas and Fort Worth and then down through Temple and Austin and San Antonio and connects in Laredo with Mexico. There is a branch off of that to Houston which branches off at Temple and makes a rather roundabout trip so that if anyone wants to take the train from Houston to Dallas they can do it on a nostalgic basis and have plenty of time to wallow in their nostalgia because it takes about 9 hours to get from one place to the other.

I feel that we must consider the question of present need and present availability. There is one other passenger train of importance in Texas—only one other passenger train at all—and that is the Sunset Limited which, of course, starts in New Orleans and ultimately ends up in Los Angeles but also affords the connection between San Antonio and Houston. The only trouble is that it only runs three times a week and is not likely to be relied on as a usual means of transportation between two cities. But if we did establish a triangle that ran regular service between these three places, I doubt that there would be any more feasible proposition anywhere in the United States and certainly there could be none that serves a more demanding need.

Of course we are not going to move back; we are not going to create a situation where most intercity travel is by railroad, but we could carry a lot of people that way and could greatly lighten the loads on the highway, for instance, to Dallas at which I live which also must serve commuter traffic. It seems to me that there has been no more progressive movement in this Congress than that which your subcommittee has initiated here and which I understand Amtrak is very heartily endorsing in its major aspects.

I thank you very much for the opportunity to appear here.

[Mr. Eckhardt's prepared statement follows:]

Remarks of Congressman Bob Eckhardt
Before The
House Interstate and Foreign Commerce Subcommittee
on Transportation and Commerce

February 28, 1980

Mr. Chairman, thank you for inviting me to be here today to discuss passenger train service in intercity corridors, particlarly in the Texas Triangle. I believe that we must use the opportunity afforded by the reauthorization of the Northeast corridor project between Washington, D. C. and Boston to begin planning and implementation for dependable, high speed service between other cities in other parts of the country. Many areas of the country, particularly my own, have received very mixed signals concerning the continued viability of intercity train service. Yet rail transportation is our best hope for relatively short distance travel between major cities -- it is cleaner, safer, and above all, more fuel efficient than any comparable means of travel. If we are to gain the national support necessary to make the improvements required in the Northeast corrider, we must be prepared to make a clear commitment to similar urban corridors elsewhere.

The Rail Passenger Corridors study conducted by the Department of Transportation and Amtrak at the request of Chairmen Staggers and Florio and Mr. Madigan is helpful if only because it focuses needed attention on the potential for shorter distance intercity rail passenger service. More particularly, I was pleased to see how well the Texas Triangle corridor compared with the other twelve corridors studied. Using the two current minimum standards set by Congress for Amtrak service (80 passenger miles per train miles, 9¢ short term avoidable loss per passenger mile), Texas does very well indeed, ranking fourth on PM/TM and fifth lowest on loss per mile. In terms of ratio of revenue to long term avoidable cost in determining the amount of potential subsidy, Texas ranks fifth.

It is particularly significant, however, that of those corridors with somewhat better potential (Los Angeles-San Diego; Los Angeles, New York-Buffalo; Chicago-Detroit; and Washington-Richmond), all already have regular, daily train service of some kind, with LA-San Diego, NY-Buffalo, and Chicago-Detroit already possessing extensive daily service. Texas currently has only one daily longhaul train, the *Inter-American* from Laredo through San Antonio, Austin, and Temple to Fort Worth and Dallas, and only one tri-weekly longhaul train, the *Sunset Limited*, from Houston to San Antonio. There is at present no direct service from Houston to Dallas-Fort Worth, only a leg of the *Inter-American* from Houston joining the main line at Temple, 128 miles from Fort Worth. There is no alternative commuter rail service anywhere in Texas, although we hope to correct that soon in Houston.

It is clear to me that in terms of real need, cost-effectiveness and lack of current service, the Texas Triangle is an ideal location to test initially the rail passenger corridor concept outside of the Northeast, if only a high speed line between Houston and Dallas-Fort Worth. Two-thirds of the approximately 12.8 million Texans are concentrated in the Texas Triangle, and that number is growing as fast as anywhere in the country. Yet there is no reliable rail service between Texas cities. Air service between cities is approaching the saturation point -- Houston's Hobby Airport can barely handle its capacity and the Intercontinental Airport is adding two new terminals. The principal means of travel for Texans, the automobile, will become increasingly expensive and unattractive as the price of operating an automobile continues to increase rapidly and as gasoline availability remains uncertain. Texas highways in the corridor are reaching capacity at some points already. Bus service suffers from the same problems as automobiles and cannot be expected to absorb all of the excess traffic capacity. Rail service is the only clean, safe, fuel-efficient alternative for intermediate distance travel. Yet it is virtually non-existent in Texas now.

We cannot expect to turn the clock back to the time when rail served as the predominant means of intercity travel in Texas, but we must recognize that the use of the automobile has probably peaked and the people will need an alternative. Moreover, the national impact on energy conservation would be particularly significant in Texas -- the Amtrak-DOT study determined that running six trains in the Texas Triangle per day would save 477 barrels of oil per day and 7.3 million gallons of gasoline per year.

We need an initial commitment now to corridor service in Texas in order that we can show that we are serious about the rail alternative in that part of the country where the need is so great.

A high speed line from Houston to Dallas-Fort Worth has the highest priority at the moment and would greatly encourage other efforts currently underway in Houston to encourage commuter rail service in the metropolitan area. Rail service has been cut back to the bare minimum in Texas -- we must demonstrate now that the rail corridor alternative is available somewhere outside of the Northeast if we are to have the broad national support for rail service that we must have.

Mr. **Florio**. Thank you very much.

Mr. Matsui.

Mr. **Matsui**. I have no questions, Mr. Chairman. Thank you.

Mr. **Florio**. Mr. Madigan.

Mr. **Madigan**. I would just say that I think the points that the gentleman is making are very well made. I noticed that three towns in the proposed triangle as of last week are three of the cities in the United States with the lowest unemployment rates in the entire country. Obviously the economic growth is there, I think the rail passenger potential is there and for those reasons I think it makes very good sense. I appreciate the gentleman coming before us this morning.

Mr. **Eckhardt**. Thank you very much.

Mr. **Florio**. Mr. Santini.

Mr. **Santini**. Thank you, Bob.

Mr. **Florio**. Just one question. I understand there is some interstate highway construction parallel to one of the legs of this triangle; is that correct?

Mr. **Eckhardt**. I think the only significant thing is the plan for a toll road along the Missouri Pacific tracks going out in the Dallas direction but one which would only run as a commuter road a maximum of some 20 miles.

Mr. **Florio**. Are there any portions of this triangle that do not have any rail connections that would entail new construction or acquiring rights-of-way?

Mr. **Eckhardt**. No.

Mr. **Florio**. Thank you.

Mr. **Eckhardt**. As a matter of fact, there are several optional routes. As I mentioned before, between Houston and Dallas one of the trains was a Southern Pacific that ran through Hearne—that is near College Station where Texas A&M is located and on up through Corsicana—and another town called North Zulch—I have never found out where Central or South Zulch is—North Zulch and then ultimately through Corsicana and then over to Waxahachie and to Dallas.

So there are several alternative routes of existing rail. Indeed there is even a third alternative and the reason I mention this is because it might be combined with some communter train service and that is out the Missouri Pacific to a little town called Spring, Tex. There you can make a connection on the Santa Fe Lines to the old Fort Worth and Denver line where the Zephyr and the Rocket used to run on to Dallas, so there are a lot of options.

Mr. **Florio**. Thank you very much for your testimony.

Mr. **Eckhardt**. Thank you.

Mr. **Florio**. Our next witness will be Mr. Alan Boyd, the president of the National Railroad Passenger Corp.

STATEMENT OF ALAN S. BOYD, PRESIDENT, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), ACCOMPANIED BY LARRY GILSON, VICE PRESIDENT OF GOVERNMENT AFFAIRS

Mr. **Boyd**. I am accompanied this morning by Mr. Larry Gilson, who is vice president of government affairs for the National Railroad Passenger Corp.

It is a pleasure to have a chance to testify before this committee to discuss the question of developing high-speed, high-frequency rail passenger corridors outside the Northeast corridor. I think that the issues involved in this hearing help to highlight the not yet fully realized potential which Amtrak offers in addressing some of this nation's most intractable questions:

How can we provide acceptable alternatives to the private automobile to reduce energy consumption and protect the environment?

How can we provide transportation alternatives for our increasingly mobile population at costs which the average American taxpayer and the transportation user can afford?

Can we make the experimental idea of a public corporation like Amtrak succeed and serve as a model for the delivery of other public services, or must we be limited to purely public and purely private alternative delivery systems?

Nothing highlights the reasons for my personal optimism and excitement about the future of Amtrak more than the answers to these questions. Nothing explains more clearly why we believe such a large part of Amtrak's future lies in corridor service throughout the country than the findings of our recent study on this subject.

At present, Amtrak provides limited, too-often ill-timed service between most heavily travelled, short-distance city pairs. This is because of the problems caused by limited operating funds but, most relevant, it is a problem caused by the scheduling of long-distance trains and the inevitability that many cities will be served only at night. Such infrequent, often inconvenient, service is no way to compete with the automobile for distances ranging from 150 to 450 miles—the range of comfortable, same day travel. One train a day anywhere can be little more than a costly curiosity, like the circus which comes to town each year. Successful competition with the automobile comes down to the questions of time and convenience. The auto traveler finds it much more convenient to take his car when the elapsed time for his or her trip from door-to-door is less than the train. Throughout the era of cheap fuel, the motorist has had little concern for cost, and few owner/operators of the automobile really know the total cost to support a car anyway. The train must travel faster than the auto because of the auto's door-to-door advantage. Then the train must operate frequently enough so that time waiting for the return train does not increase the total elapsed time beyond the acceptable limit perceived by the traveler.

Where those speed and frequency objectives can be met, passenger rail service can and does provide an attractive alternative to the automobile. Where Amtrak offers such service, it can and does contribute significant revenues and ridership which are helping Amtrak meet its congressionally mandated, systemwide goals.

The potential of such corridor service was recognized in both the House and the Senate last year in the course of debate on our appropriations bill. It was reflected as well in last fall's request from members of this committee that Amtrak and DOT study the potential for increased corridor service.

It may be useful to take a brief look at our experience in the Los Angeles-San Diego corridor to see how the potential for expanded corridor service is working in practice. Prior to September 1976, Amtrak provided three round trips per day between the two cities. A fourth round trip was added that month. A fifth frequency was added in April 1977, and a sixth in February 1978. Both ridership and our revenue-to-cost ratios improved significantly as the increased frequencies were introduced between the two cities.

In fiscal year 1975, the last full year with only three frequencies, Amtrak experienced revenue-to-cost ratios between the two cities of only 22 percent. By fiscal year 1979, with six round trips daily, fares covered 42 percent of costs. With the inclusion of 403(b) revenues from the state, the total revenue to cost ratio was 47 percent. We also experienced a dramatic improvement in passenger miles as compared to train miles. PM/TM improved from 100 in 1975 to 163 in 1979. With the doubling in train miles, ridership—as measured by passenger miles—tripled between 1975 and 1979 from 30.6 million passenger miles to 89.4 passenger miles. There is a table in my testimony which portrays this change that appears at the top of page 4. [See p. 448.]

Clearly, one of the most important reasons for the improvement in the percent of costs recovered by passenger revenues—the revenue-to-cost ratio—as train frequencies increase is that many of the costs necessary to operate relatively few frequencies increase only slightly when those frequencies are increased. This improved utilization of fixed cost items is one of the most appealing features of the emerging corridor concept.

The other half of the revenue to cost equation also benefits from the introduction of additional frequencies. The improvement in passenger miles—Table 1—documents that, as frequency of trains doubled, our total number of passenger miles tripled, thus significantly improving our revenue.

Although the success story of the Los Angeles-San Diego service offers a basis for optimism, that experience must be carefully weighed against the circumstances elsewhere before we assume that the same performance is possible in all corridors. That is why the joint Amtrak/DOT study of Rail Passenger Corridors, just submitted to this committee, is so important. It measures each of 13 corridors against the criteria the Congress used last year in evaluating trains in our basic system. Although the projected performance of each corridor studied was different, certain important generalizations are possible:

All of the corridors studied hold the potential for meeting or exceeding the congressional criteria for one or more combinations of projected speed and frequency. Thus, under certain assumptions, each corridor could contribute to Amtrak's efforts to meet systemwide goals. Some of the corridors could improve systemwide averages very significantly.

Although some ridership increases would result from increasing speeds from 79 to 110 miles per hour, the added cost of upgrading and maintaining track at 110 miles per hour speeds does not seem well justified. Even if upgraded to the higher level, the average running time would not approach 110-mile-per-hour since stops at intermediate points, acceleration and deceleration would all reduce average running time. We believe it would be a much more efficient use of the marginal dollar to increase frequency rather than increase speed.

The introduction of additional frequencies contributes significantly to the overall ridership and revenues of corridor service at least through the sixth frequency and, in some cases, beyond that. Generally, the performance of all trains in a corridor improves as a new train is added.

The energy savings from introduction of rail corridor service is very substantial—running into the millions of barrels per year—largely because the vast preponderance of increased rail ridership would represent diversion from automobile use, not from public transportation providers.

In light of these findings, our own operating experience where we now provide corridor service, and the congressional guidance offered to Amtrak in the context of our route restructuring debate last year, we believe corridor service should be looked on as a major part of our future operation. To that end, we recommend that a phased program be adopted by the Congress. This would allow us to exploit the potential of expanded corridor service while cautiously phasing funding commitments to reflect the need to establish firmer costs for capital expenditures than now exist. Such a cautious, phased program should include the following elements, in our opinion:

Designation of specific corridors which Amtrak would develop and over which Amtrak would offer expanded service. Corridors should be designated in such a way as to:

Include only those routes which would contribute significantly to the achievement of congressionally mandated, systemwide criteria—a phase-in period may be necessary for the introduction of expanded service before the costs and revenues from such service would be considered part of the basic system;

Maximize the diversion of intercity passengers from automobiles to trains within corridors; and

Minimize the benefits of existing or anticipated corporate and Government investments in equipment, track and stations, and related facilities.

Design and engineering work for each designated corridor should be conducted prior to the commencement of actual track or signal upgrading. This initial step would permit an orderly determination of the scope and cost of work based on a detailed physical inspection of the track and negotiations with the railroad with whom Amtrak would contract to do the work. We project that this design and engineering work would take about a year from the time corridor designations were made.

Track work, signalling, and other fixed facilities should be upgraded by the operating railroads. The costs of upgrading to the level of utility in 1971 would be the responsibility of the railroads; only the incremental costs would be financed out of funds provided under this program. Because of the need to complete the design and engineering phase before firm upgrading costs could be provided, no appropriation for track and signal work would be required for a year after designation of corridors.

Equipment requirements for operating corridor service would have to be addressed as early in the program as possible. Because of the long lag time between placing equipment orders and taking delivery, and given our current severe equipment shortage, we would need to place an order at the earliest possible moment in order to be ready to offer service upon completion of track upgrading. Funding for this purpose represents the most immediate need for spending and/or contracting authority.

Project management responsibility should rest with Amtrak. Such a delegation of responsibility would be consistent with the expressed objectives of both Amtrak and DOT as the Northeast Corridor Improvement Project—NECIP—gets redefined this year. In NECIP it is agreed that Amtrak will assume greater and more direct project management. Since Amtrak will have to coordinate the work schedule with the operation of existing trains, in many cases since the quality of work will greatly affect Amtrak's future operating costs, and since Amtrak has the contractual relationships with the operating railroads, the designation of Amtrak as project manager seems fully appropriate. We would expect the DOT to be the funding agent for the corridor projects, relating to Amtrak as it now does with regard to all regularly appropriated capital and operating funds.

The States' role in promoting and funding the corridor services could be significant. Although Amtrak would want to retain the right to introduce corridor service even without State involvement if the projected ridership and revenue looked particularly appealing in comparison to costs, we believe that strong State involvement in a joint station program and in a grade crossing/grade separation program would be appropriate. Further, for those corridors which would not have revenues high enough to contribute strongly to our systemwide averages, States could be encouraged to make contributions sufficient to improve those revenue to cost ratios when the State contributions are counted as revenue.

The role of the operating railroads will be crucial in the success or failure of any efforts to provide high-speed, high-frequency service. It is very important to strike a proper mix in the division of responsibilities between Amtrak and the operating railroads over whose track the corridor service would be provided. It is reasonable to expect the railroads to assume the responsibility for maintaining the track to the 1971 level of utility, as they are obligated to do by law. It is not reasonable to ask them to bear the incremental costs necessary to upgrade the track or maintain the higher speeds. Those incremental costs should be borne by Amtrak.

On the other hand, the predominant users of the tracks for each corridor will continue to be freight and the benefits to freight service from upgraded track are substantial. These benefits should more than offset the concerns the railroads may have about participating in an upgrading program.

Aside from the question of upgrading and maintaining the track, the other major interest of the operating railroads is the capacity of the track to accommodate more traffic. In some cases track may be approaching its capacity and may require capital investments for sidings, additional mainline track or other improvements. By and large, however, we think that the limited additional frequencies should not strain the limits of track capacity.

Indeed, at a time when railroads are arguing that a coal slurry pipeline is unnecessary because the railroads have sufficient capacity to haul coal, it is hard to see how most could not accommodate the limited additional passenger traffic visualized in the corridors studied by Amtrak and DOT. Obviously, the ultimate determination of the current level of track conditions and of track capacity will be a case-by-case matter. We would expect to resolve most differences directly. If there were a continuing problem in agreeing on an acceptable number of additional frequencies, Amtrak would look to the Secretary of Transportation to direct the railroads to permit the operation of additional frequencies where he or she found that the capacity was sufficient.

I want to conclude by saying how refreshing it is to appear before the Congress to talk about a new and exciting way to provide improved service to the public while simultaneously improving our own economic well being. These corridors hold a great promise for reducing energy consumption, helping Amtrak achieve and exceed the performance goals to which we all subscribe, and showing the way to a truer partnership between the transportation industry, the government, and the traveling public as we seek to solve some very difficult national problems. I hope we can be given the green light to get to work in a cautious but appropriately ambitious way.

Thank you, Mr. Chairman.

[Tables 1, 2, and 3 follow:]

TABLE 1

	LA to San Diego		Rest of Amtrak Short-Haul Trains (not including Northeast Corridor or LA/SD)	
	1975	1979	1975	1979
Revenue	$1.5 million	$ 6.2 million*	$21.4 million	$31.6 million*
Cost	$6.7 million	$14.9 million	$67.0 million	$95.9 million
Revenue/Cost Ratio	22%	42%	32%	33%
Passenger Miles	30.6 million	89.4 million	369.6 million	446.6 million
Passenger Miles/ Train Miles	100	163	NA	88.9

*Excludes 403(b) revenue from the States

TABLE 2

AMTRAK/DOT STUDY
COMPARISONS OF PROJECTED CORRIDOR PERFORMANCE FOR CONGRESSIONAL CRITERIA

(Listed from Best to Worst)

	PM/TM		Short Term Avoidable Loss/PM		Ratio Of Revenue To Long Term Avoidable Cost
1)	Los Angeles-San Diego	1)	Los Angeles-San Diego	1)	Los Angeles-Las Vegas
2)	Washington-Richmond (incremental PM/TM)		Los Angeles-Las Vegas	2)	Los Angeles-San Diego
3)	New York-Buffalo		New York-Buffalo	3)	New York-Buffalo
4)	Texas-Triangle	4)	Chicago-Detroit	4)	Washington-Richmond (incremental PM/TM)
5)	Chicago-Detroit		Texas-Triangle	5)	Texas-Triangle
	Sacramento-San Jose	6)	Chicago-St. Louis	6)	Chicago-Detroit
6)	Los Angeles-Las Vegas		Miami-Jacksonville	7)	Chicago-St. Louis
7)	Chicago-St. Louis	8)	Chicago-Cleveland	8)	Miami-Jacksonville
9)	Miami-Jacksonville		Chicago-Twin Cities	9)	Chicago-Twin Cities
10)	Seattle-Portland	10)	Chicago-Cincinnati	10)	Chicago-Cleveland
11)	Chicago-Cleveland		Seattle-Portland	11)	Seattle-Portland
12)	Chicago-Cincinnati		Washington-Richmond (incremental PM/TM)	12)	Chicago-Cincinnati
	Chicago-Twin Cities	13)	Sacramento-San Jose	13)	Sacramento-San Jose

TABLE 3
(page 1 of 2)

AMTRAK/DOT STUDY
CORRIDOR COMPARISONS
AT 79MPH @ $2.50/GALLON OF GAS (1980 DOLLARS)

#Round Trip	PM/TN	Short Term Avoidable Loss/PM	Ratio of Revenue to Long Term Avoidable Cost	Annual Long Term Avoidable Loss ($Millions)	Fixed Capital Cost ($Millions)		Equipment Cost* ($Millions)	Fuel Savings (BBL/DAY)
					FRA Min	Amtrak Up. Lmt.		
Chicago-Cincinnati								
3	110	5¢	56%	6.3	62.9 -	105.5	18	78
6	93	5¢	57%	10.3			36	132
Chicago-Cleveland								
3	119	4¢	60%	6.5	61.9 -	101.8	18	97
6	101	4¢	62%	10.2			27	164
Chicago-Detroit								
3	148	2¢	70%	4.4	30.3 -	82.4	22	100
6	125	1¢	74%	6.1			27	169
12	87	5¢	59%	17.0			54	236
Chicago-Twin Cities								
3	110	4¢	62%	7.0	53.2 -	124.4	18	100
6	93	4¢	62%	11.5			36	187
Chicago-St. Louis								
3	125	3¢	67%	4.2	36.4 -	84.9	18	85
6	106	3¢	67%	7.2			27	144
Los Angeles-Las Vegas								
3	144	-1¢	90%	1.3	11.2 -	79.5	22	112
6	101	1¢	73%	5.8			36	156
Los Angeles-San Diego								
6	307	-1¢	89%	2.4	24.3 -	30.4	NA	110
12	214	-1¢	90%	3.1			30	187

*The equipment cost represents the cost of acquiring an entirely new set of equipment for each corridor regardless of existing equipment committed there. This was done in order to preserve comparability among corridors, without the bias inherent in omission of costs of equipment already assigned. In many cases the cost of the increment of equipment needed for service would be less. The actual cost would depend on which corridors have increased service and the possibility of equipment pooling.

TABLE 3

(page 2 of 2)

AMTRAK/DOT STUDY
CORRIDOR COMPARISONS
AT 79MPH @ $2.50/GALLON OF GAS (1980 DOLLARS)

#Round Trip	PM/TM	Short Term Avoidable Loss/PM	Ratio of Revenue to Long Term Avoidable Cost	Annual Long Term Avoidable Loss ($Millions)	Fixed Capital Cost ($Millions) FRA Min.	Fixed Capital Cost ($Millions) Amtrak Up. Lmt.	Equipment Cost* ($Millions)	Fuel Savings (BBL/DAY)
Miami-Jacksonville								
3	121	3¢	65%	6.8	37.6 -	130.1	18	120
6	103	3¢	66%	11.1			36	205
New York-Buffalo								
6	164	-1¢	88%	5.2	20.9 -	100.9	50	361
12	114	1¢	77%	15.5			87	505
Sacramento-San Jose								
3	124	9¢	46%	6.8	11.9 -	32.9	9	38
6	109	8¢	49%	7.3			18	67
Seattle-Portland								
3	120	5¢	57%	4.2	18.0 -	55.8	9	53
6	101	5¢	56%	7.2			18	90
Texas Triangle								
3	151	2¢	72%	11.1	158.4 -	275.6	33	281
6	128	1¢	77%	15.0			54	477
12	89	4¢	61%	43.0			107	668
Washington-Richmond								
3	173	5¢	79%	1.2	1.7 -	24.7	9	26
6	147	1¢	75%	2.6			18	44
12	103	3¢	65%	6.0			18	57

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*The equipment cost represents the cost of acquiring an entirely new set of equipment for each corridor regardless of existing equipment committed there. This was done in order to preserve comparability among corridors, without the bias inherent in omission of costs of equipment already assigned. In many cases the cost of the increment of equipment needed for service would be less. The actual cost would depend on which corridors have increased service and the possibility of equipment pooling.

Mr. **Florio**. Thank you, Mr. Boyd. We certainly appreciate your very forthright statement of support. I think it would be appropriate, since there is a recorded vote, for the members to go vote and if you don't mind we will be back in about 10 minutes.

Mr. **Boyd**. We will await your pleasure.

[Whereupon, the subcommittee recessed.]

Mr. **Florio**. The subcommittee will reconvene.

Mr. Matsui.

Mr. **Matsui**. Thank you, Mr. Chairman.

Mr. Boyd, I want to thank you very much for your testimony today and I look forward to perhaps following up with a meeting with you and your staff at some later time to discuss some of the criteria and some of the other issues further.

You met with our California director of Caltran, our State Department of Transportation, in February of last year.

Mr. **Boyd**. This year.

Mr **Matsui**. At that time you indicated to her that the 500 mile corridor which would start from Sacramento to the bay area down to Los Angeles down to San Diego made an awful lot of sense to you. I think the quote "awful lot of sense" was a direct quote by you and I notice that on the chart here, figure 6, there is no Los Angeles to the bay area. Could you explain that in light of the statement that was made?

Mr. **Boyd**. Yes, sir, I think I can.

The National Railroad Passenger Corp. is currently in arbitration with the Southern Pacific over the operation of a daylight train between Los Angeles and San Francisco. This has been in the works for several years and the pace just depends on how the arbitration goes but that would be a major linkage, of course.

Mr. **Matsui**. No, sir, it is events that are outside the criteria that has resulted in the elimination of this 500 mile stretch or so, is that correct?

Mr. **Boyd**. Yes, sir, although I think the request of the committee members was to cover distances that were not quite as long as the total Sacramento to Los Angeles mileage—so it would not have been included anyway—but the net of what I am saying is that if we win the arbitration, we will have a service which could provide the Sacramento-San Francisco link with the Sacramento corridor in here.

Mr. **Matsui**. And that would obviously hook up with some obvious national linkage, is that correct also?

Mr. **Boyd**. Yes, sir, at Oakland and Los Angeles.

Mr. **Matsui**. Would that in some way perhaps alter the ranking that we have listed on chart 6 here in terms of Sacramento-San Jose which would link with the Los Angeles-bay area linkage?

Mr. **Boyd**. I think that is entirely possible. It would take some analysis but it seems a reasonable conclusion.

Mr. **Matsui**. In other words, you would feel this should be pursued further in this study that was given to us last week.

Mr. **Boyd**. Yes, sir.

Mr. **Matsui**. I would like to ask one question about the San Jose-Sacramento linkage and I know the Las Vegas-Los Angeles. I suppose that is because of the gambling interest in Nevada and the fact that California does not have any gambling. I do know that a lot of people from the bay area go to Reno, Nev., to gamble. What would be your thoughts on a San Jose-Reno, Nev., hookup which seems rather feasible and reasonable and that would satisfy to some extent Mr. Johnson whose district it would also go through? Mr. Santini, also.

Mr. SANTINI. But we want to be objective and fair about it.

Mr. BOYD. We have not studied that and I can only say that Amtrak is in business to provide the best possible passenger service where it is warranted by the demand. I know we run now what is called the Reno fun trains out of the bay area and those seem to be quite successful. Of course those are special trains as opposed to regularly scheduled service but there is no doubt that Reno is a magnet as is Las Vegas.

Mr. MATSUI. In the report that we received there is a statement made that the estimates of ridership perhaps are somewhat conservative. Would you share that particular concern?

Mr. BOYD. I would say that generally we have tried to be conservative throughout this study, as I understand it. Now I personally did not participate in the study but my understanding is that both in terms of projected passengers and in terms of energy savings we have attempted to be conservative. I guess both DOT and Amtrak have the same interest here and that is that we would be credible with the Congress.

Mr. MATSUI. Even if it is on the conservative side?

Mr. BOYD. In these terms, yes, sir.

Mr. MATSUI. All right.

Mr. BOYD. This is not a political philosophy we are expressing.

Mr. MATSUI. No.

You know, one of the areas I suppose that has always been a problem, especially recently since 1973 when we started witnessing the increase in the fuel prices, is the issue of the elasticity of ridership and increases in fuel prices and the studies have really not honed in on it, there has really been no authoritative study although there have been a number of studies. In California Caltran did a study and it indicated that the ridership is off 2 percent; in other words, if the figures of ridership are estimated incorrectly by 2 percent that could have a dramatic impact on the train ridership of perhaps up to 200 percent. In other words, it could be off by that amount. Now do you share that kind of a concern regarding the——

Mr. BOYD. Surely. The bulk of intercity movement is the private automobile and I don't think I can even comprehend the enormity of the individual passenger miles that are represented by that travel. If 3 percent of that total of approximately 87 percent moved to common carriage—that is, trains and buses, and/or airplanes—we would be absolutely swamped. It would be a crisis situation of the greatest magnitude with just 3 percent of that 87 percent. So we are talking such big figures that relatively minor shifts in the percentages would have enormous impacts on both buses and trains.

Mr. MATSUI. In view of the fact that Mr. Sullivan indicated that the study that was just given was the study of this hearing here and was done with some haste because of the subcommittee's deadlines, do you feel that additional studies should be done as he indicated in order to develop the actual breakdown in terms of ranking of these particular corridors?

Mr. **Boyd.** No, sir, I don't think so. I think if there had been additional studies or if we had had a year to do the study, we would have given you a much thicker report. It would have still been a lot of projections. I have confidence in the analyses from both FRA and at Amtrak. There is no way that these figures can be a guarantee of what is going to happen. We have tried to be conservative and my suggestion, as I stated in my testimony, is that the Congress decide the extent of its interest and the public interest in this to the extent there is an interest, and that the corridors be designated and be provided with funding for engineering and design work. This has got to be done on a case by case basis. We would also need funding to acquire equipment.

Mr. **Matsui.** Thank you very much.

Mr. **Florio.** Mr. Madigan.

Mr. **Madigan.** Mr. Boyd, in your statement you mentioned that in your judgment few people really know the cost of owning and operating an automobile. In my case when I use the combination of Metrobus and subway to come to work and go home in the evening the roundtrip costs me $3 and a nickel. I have a tendency to compare that only to the cost of the gasoline that I otherwise would use even though I know the maintenance on the automobile is considerably more the more I drive it, but I think most people do that. They only think in terms of the gasoline cost and consumption because they regard the automobile as something that they are going to have anyway. That suggests to me that if most people tend to think that way, and I believe they do, that there could be a problem with projecting increased Amtrak ridership or increased use of public transportation. If people, as gasoline prices go up, down-sized their automobiles so that their gasoline consumption stays about the same, would you not see that as a fault in these projections or as a possible fault in these projections?

Mr. **Boyd.** I think an effort was made to try to comprehend that although this is a very fuzzy area when you start trying to quantify these things. I would acknowledge it as a possible weakness and of course there are other weaknesses when you are trying to project demand. There is no question that what you say is right. We are both agreeing with each other that most people do not figure the cost of the automobile.

However, I think we are talking about a question, too, of the availability of fuel over the longer term, not just price. I think that at least the people of my generation seem to have fairly long memories and we remember 15-cent-a-gallon gasoline. There comes a sort of a trip point where you think to yourself, even if you have down-sized your car, my God, $2 a gallon, or with a larger car you go to a filling station and say fill 'er up and they say that will be $48.

Our view is that at some stage, and I don't think we can say it is $1.50 a gallon or $2 or $35 to fill your tank, that regardless of what the actual consumption is, people will start taking a different view of what their travel plans should be. Now that relates, of course, to what is the availability, what options are available.

Mr. MADIGAN. But in studying your fare schedule, I noticed that the fare from Chicago to Denver, round trip for one person, is equivalent to what it was for Chicago to California round trip for two people in 1971. Aren't people going to look at your fares in much the same way that they look at the $48 to fill up the tank?

Mr. BOYD. That is a possibility. All I can say is that we are dealing with facts of life and we do not think that trying to keep pace with inflation or to meet the congressional mandate of the revenue to cost ratios is going to have a detrimental impact on the growth of Amtrak's traffic. It has not so far.

Mr. MADIGAN. We all saw the surge in demand for Amtrak when there were fuel scarcity problems and I am assuming, although I don't know, that that slacked off again as the availability problem diminished.

Mr. BOYD. It has, certainly. The rate of increase has not been what it was in the spring of last year but we are carrying more passengers today than we did this time last year on the routes that we are running.

Mr. MADIGAN. On the routes where you have made no substantial improvement like increase in frequency?

Mr. BOYD. Yes.

Mr. MADIGAN. Where a person could make an honest case-by-case comparison you are averaging more riders?

Mr. BOYD. Well, that is going to vary route by route. Systemwide we are carrying more. Actually, we are losing some traffic in the corridor largely because of our relatively poor service due to the construction work on the corridor which is something that we knew would happen.

Mr. GILSON. Mr. Madigan, if I can supplement in one respect. The demand projections that were factored into the study assumed a fare increase on the part of Amtrak which reaches significantly into the future and so the implication of higher Amtrak fares as compared to competing modes is built in to the extent we are able to project it.

In addition, I might add that the projected increased ridership and increased costs are both based on a variable where gasoline increases are the major component so that we are already assuming significant gasoline price increases in order to get to the demand. That is the one factor which is the most dominant in our opinion in the diversion from other modes to the trains even though there would be other factors and other costs associated with it.

The gasoline prices are quite conservative in regard to the future. Energy said gasoline would be $1.15 a gallon this year and we are projecting only $2.50 by 1985 in 1980 dollars. So I think those are quite conservative.

Mr. MADIGAN. The criteria used, as described by Mr. Sullivan, I assume to be the FRA criteria but I don't know if that assumption is correct. Is that the criteria that Amtrak and FRA have agreed upon?

Mr. BOYD. The Amtrak portion of this is the three criteria the Congress indicated in connection with the route restructuring: the passengers per train mile, the avoidable loss and the achievement of the revenue to cost ratio. We did not annualize. In our judgment we think it is a mistake to change the game by annualizing the cost of capital investment because that has not been done elsewhere.

Mr. MADIGAN. So I am sure I understand that clearly, are you saying that if you were assessing these various routes and other possible routes that we have not talked about that you would not use the criteria that has been used?

Mr. BOYD. We would not use the fourth criteria.

Mr. MADIGAN. Thank you very much.

Thank you, Mr. Chairman.

Mr. FLORIO. Mr. Santini.

Mr. SANTINI. Thank you, Mr. Chairman.

Mr. Boyd, it has seemed to me that the bus coordinated with the train would represent a cohesive advancement in people transportation in this Nation. Has Amtrak made any attempt to coordinate with bus travel representatives to see if a package could be implemented, one complementing the other instead of one viewing the other in a competitive context?

Mr. BOYD. Yes, sir. We recently met with Mr. Frank Nageotte who is president of the Greyhound Lines, a very fine man, and talked about the possibility of developing greater coordination in our efforts. Mr. Kerrigan, who is president of Trailways, and I are trying to get together to set up a meeting. I would have preferred that we moved earlier, but last year we had some other issues to deal with, including the management of Amtrak, the route restructuring and a few other minor items so we are late by my estimates.

We have a great many interests in common which both Mr. Nageotte and I decided we want to pursue and he has invited members of our staff out to the Greyhound headquarters to pursue our areas of common interest. Now we both acknowledge that to some degree we are in competition and that is a fact and it will be.

At Amtrak we have stated our position as being that our purpose is to provide transportation primarily for those who are now traveling by automobile which as I mentioned to Mr. Matsui represents about 87 percent of the total intercity passenger movement in this country. Our feeling is that we ought to shoot at that market and not at the buses. Now, whatever we do is going to have some impact on some buses, I expect, because everywhere we go there are buses.

The reverse is not true. The buses serve about 15,000 communities in America and we don't. We say we serve approximately 500 and that takes a little poetic license when some of our major cities are served between 2 and 4 in the morning only.

We think there is an enormous opportunity for us to work together and by that I do not mean that we look on the buses as being a sort of a collector for Amtrak because that is not their role. It is a far greater role than that, a very important role, but we think that together we can do more about saving energy by getting people out of the private automobile than we can operating independently and head to head because we really are not head to head except in minor cases.

Mr. SANTINI. Is there anything that this committee or that the Congress might do just as with the initiation of Chairman Florio's or Chairman Staggers' legislation? Mr. Madigan initiated this preliminary study. Is there anything that the legislative branch of Government might be doing to put focus, emphasis or impetus on trying to develop this relationship that would further enhance a coordinated transportation program in this nation?

Mr. **Boyd**. I don't think so at the moment, Mr. Santini. It seems to me that it would be premature for me to make any such suggestion until we and the bus companies have had a chance to thoroughly hash over what our common interests are, where our conflicts arise and so forth, at which stage if there were to be a role of the Congress I would like to come forward arm in arm with my colleagues in the bus industry, but at this stage I don't know where we would go.

Mr. **Santini**. On page 4 of your testimony you have suggested in that first paragraph: "Amtrak costs for such items as station maintenance and personnel, equipment, advertising and management supervision remain relatively constant as frequencies are increased. This improved utilization of is one of the most appealing features of the emerging corridor concept."

You have acknowledged with some degree of candor in a couple of points in your testimony that reliability of service is one of the handicaps that the rail transportation system of the Nation has endured. I appreciate the virtue of the fixed cost situation and increased demand having some dollar appeal. I worry at what point you begin to aggravate that other problem that looms out there and that is reliability of service if you overload the system in terms of fixed cost expectations because of increased frequencies.

Has that happened in the Los Angeles-San Diego case that you cited on page 3 as an example of increased ridership experience in the last year?

Mr. **Boyd**. Certainly, if I understand your question, we have reached a capacity problem that has to do with adding additional frequencies. We would like to add a seventh and eighth frequency. The Santa Fe Railroad which owns the tracks and operates the trains has indicated that we have now reached the state of congestion that militates against adding frequencies. We are talking to them now about what must be done to enable greater frequencies.

To the extent that our fixed costs have been built up in anticipation of additional frequencies, we do not go about it that way. If you have an operation at all, you have got to have a station, a ticket agent, somebody to maintain the place and so forth. What we have done is start with the minimum which is always greater than what you need for one frequency and we have built our staffs as a response to passenger need. For example, I am not certain but I am confident we have far more ticket agents in the station in Los Angeles and San Diego than we did in 1975 but that is because we are carrying many thousands more people. Those items certainly are going to change and to vary depending on the amount of traffic that you handle.

Am I being responsive to your question?

Mr. **Santini**. Yes, you are.

You are saying you are not overloading the area and thereby impairing service.

Mr. **Boyd**. No, sir.

Mr. **Santini**. The very optimum of the increased ridership experience in Los Angeles, does that contradict in your statement on page 2 where you say, and I quote now, "Service is no way to compete with the automobile for distances ranging from 150 to 450 miles"?

Mr. **Boyd**. If I understood what I said there, it was that you have got to have frequency if you are going to compete with the automobile. The infrequent service often in the middle of the night is not a way to compete with the automobile to provide an option to the automobile traveler. We go through Memphis, Tenn., which is a pretty good sized city. Our trains stop there at, I believe, 11:50 p.m. and at 2:50 a.m. We go through Pittsburgh at about—one train goes through about 2 o'clock in the morning, the other, about 4 o'clock in the morning. That is not service to Pittsburgh. Somebody has got to be fairly desperate or riding on a pass to take the train in and out of Pittsburgh or Memphis.

Mr. **Santini**. I see. So you were not superimposing a standard of 150 to 450 miles and saying in most instances trains cannot compete in that context?

Mr. **Boyd**. No. We are saying 150 to 450 is what we generally think of as a corridor type operation and that we cannot compete on the basis of a single daily frequency long-haul train.

Mr. **Santini**. That arrives at 2 a.m. in the morning.

Mr. **Boyd**. Yes.

Mr. **Santini**. Thank you, very much, Mr. Chairman.

Thank you, Mr. Boyd.

Mr. **Boyd**. Thank you.

Mr. **Florio**. A point was made with regard to competition between buses and trains. One of the things that sticks out in my mind from my hearings in San Diego was that notwithstanding the increase use of Amtrak you only carry 1.9 percent of the total passengers who travel in the Los Angeles to San Diego corridor and buses carry 1.6 percent. The vast majority of the rest of the people travel by automobile. There is an opportunity to accomplish what it is we are trying to do, that is to cutdown on automobile traffic. You stated that it will take approximately a year to do the necessary design engineering work for the development of the next corridors, whatever corridors are deemed to be appropriate. Is that a year each and would your estimates be slightly different depending on the complexities of the different corridors?.

Mr. **Boyd**. No, it should not take a full year for each one. Some will take that long; others will take less.

Mr. **Gilson**. It was our feeling, Mr. Chairman, that we could complete the engineering and design work for any corridors designated within a year so we could come back to the Congress with a corridor-by-corridor breakdown of the fixed capital costs required to upgrade and do it all at one time.

Mr. **Boyd**. We are saying that if Congress decides that this is a way to go and enacts legislation on November 1 of 1980 that we will essentially be completed with all of the engineering work by November of 1981.

Mr. **Florio**. We are talking about specific engineering work that would be capable of being moved into the next phase if one wanted to use it.

Mr. **Boyd**. That is correct, sir. We will know what has to be done in order to provide a 79 mile an hour—which we are recommending—top speed in the way of ballast, ties, tracks, signalling, side tracks, and so forth, turnouts and station facilities and the whole ball of wax and be able to come back to the Congress and say this is what it will cost to run over the Texas Triangle from the standpoint of engineering cost.

Now, certainly, the committee understands we would have to negotiate with each of the railroads. While I am pleased to say that I find the attitude of our contracting railroads to be much more positive than I think has been the case in the past—and they have a lot of their own problems—we might not be able to negotiate an agreement within that period of time.

Mr. **Florio**. What was the time period for the comparable engineering for the Northeast corridor?

Mr. **Boyd**. I can't answer that, Mr. Chairman. My impression is that a lot of the engineering planning was done after the project got started which was about as poor a way to get started on a project of that nature as one could imagine but there were exigencies which I gather necessitated that.

To give you a really different end of the spectrum, the Japanese National Railroads did their planning for 13 years before they started building their high-speed line. Now they were developing an entirely new system. I am glad you raised the question about the corridor because what we are talking about here is essentially an upgrading of an existing railroad, not like the Northeast corridor where we are trying to help rehabilitate the whole system where we have signalling and the system. In the rest of the country all we are talking about is adding diesel locomotives.

Mr. **Florio**. Can you give us a ballpark figure what average expenditure, on a project basis, will be required for the undertaking of the type of engineering that we are talking about?

Mr. **Boyd**. We are talking about 10 percent so you can just take a look at the figures in the report. I don't have a specific figure but 10 percent of the capital investment is figured for engineering and design as a rule of thumb.

Mr. **Florio**. One last point on a somewhat unrelated subject. I read in the newspapers today that the directors of Amtrak have authorized the purchase of 150 stainless steel passenger cars and 17 additional electric locomotives, is that correct?

Mr. **Boyd**. Yes, sir, that is correct.

Mr. **Florio**. This newspaper heading reads: "Contract let to the Budd Company in Philadelphia." That is not accurate.

Mr. **Boyd**. That is not true to my knowledge. We have not let the contract.

Mr. **Florio**. Do you have some indication as to when you anticipate letting those contracts?

Mr. **Boyd**. Very shortly. For the locomotives, this is a continuation of a preexisting order with the Electromotive Division of General Motors for the AEM 7 electric locomotives which are being built by ASEA in Sweden. We have already ordered 30. This brings our order to 47.

Mr. **Florio**. Although the buy-American provisions were somewhat modified in the last piece of legislation that was passed, my understanding is there is only really one American company that makes passenger cars. Does that mean that you have no option other than to allow this contract to be let to Budd?

Mr. **Boyd.** That provision of the law can be waived. My guess is that the Budd Co. will get this contract because the specifications are very close to the Amfleet cars which we now have. I guess I should say I am frankly hopeful that Budd gets this contract because we can get delivery from Budd the first car within 18 months. We would not have a prayer of that with any other company in the world because the Budd Co. has all of its jigs and patterns from the Amfleet program.

Mr. **Florio.** I see my UAW workers are also hopeful that the Budd Co. gets the contract.

Thank you very much.

Mr. **Boyd.** Thank you, Mr. Chairman, and members of the committee.

Mr. **Florio.** We see our distinguished majority leader and we appreciate his patience and ask him to come forward. We know he has some valuable testimony to offer.

Congressman Wright.

STATEMENT OF HON. JIM WRIGHT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. **Wright.** Thank you. I think I have been enriched by having the privilege of hearing Secretary Boyd.

With your permission, I would like to stand here and talk with you very informally about the prospect of extending Amtrak service to additional corridors throughout the country. Of course, I think all of us would have to conclude that the one prime example of an Amtrak service is the Northeast corridor from Washington to New York and that by just about any standard of measurement that corridor to New York or to Boston must be gaged as a real success. It has attracted passengers, it has reduced losses that initially were suffered and apparently is doing the job that we had expected it to do.

About 6 years ago, as you and other members of the committee will recall, conversations were held and studies were conducted with a view to the advisability of extending this Amtrak service to other corridors throughout the country. It was decided at that time not to do it. I think there were several reasons at that time. Perhaps it was well to wait and see what kind of experience we could find in the Northeast corridor before attempting to create the service elsewhere.

But some changes have occurred, of course. Fuel costs at that time were only a fraction of what they are today. The cost of foreign oil had not taken its skyrocketing leap as it has. Meanwhile the fact that the cost of energy has reached such astronomical heights and shows no signs of abating has given to rail service a new lease on life, at least a new opportunity for serious consideration.

During the past year I am advised that ridership on the Nation's rail lines has increased by 7 percent. The greatest single increase over any single line in the country has been over the Inter-American line from Chicago to Laredo, Tex., using part of the rail route that is shown here. A 67-percent increase over that line has been chalked up in just the past year. I think these figures reveal two or three things, one of them being that the public, alert to the problem of gasoline prices, is once again becoming alert to the potential of rail service and that there probably does exist a market for improved rail service if we can find it possible to offer it on schedules that will be attractive and convenient to the American people at places where they reside in sufficient numbers.

If we were just to gage potentials from the dual prospect of numbers of people residing in an area versus number of miles to be traversed, I suppose we would have to conclude that the Los Angeles to San Diego corridor is the next most potentially profitable after the Northeast corridor. It already has six trains daily. Perhaps the second most profitable potential would lie in extending the Northeast corridor from Washington south to Richmond. That already has four trains a day. If we were to use those same criteria, we might conclude that the third most profitable potential would exist in extending the Northeast corridor north from New York to Buffalo. That route already has three trains a day.

If you exclude those particular routes, using those two criteria—the number of people to be served versus the number of miles you would have to cover—the next most profitable potential would be the Texas Triangle. It is 1 of those 13 that I understand your committee and the Amtrak people have under consideration. It is in the interest of the Texas Triangle and your serious consideration of it that I would like to invite your attention to several possibilities.

One of them is that for 772 miles which it would take to cover this triangle, you would be serving some 7 million people, who reside in this area in the towns of Fort Worth, Waco, Temple, Austin, Houston, and Dallas. This would provide an enormously attractive potential. If we may project the experience we have had in the Northeast corridor and in other places, based on the number of people and the number of miles to be traveled, three passenger trains daily over this Texas Triangle route would be expected to serve 151 passengers per mile.

Now, of course, certain corridors—let's say between Houston and Dallas—probably would have more passengers than others—such as that between Waco and Temple. But the average over the entire route would be 150 passengers per mile—151 passengers per mile to be precise. That compares, of course, very favorably with the standards we set in Congress for viable corridors as gaged in passengers per mile.

At this rate and over those distances it calculates to a saving of 4.3 million gallons of gasoline per year.

If we follow those same assumptions, then we would have to project an estimated loss of 2 cents per passenger mile in operating expense. But that also compares very favorably with the standards legally set by the Congress, in which we said a saving of this kind in gasoline might make a rail line worthy of consideration if it lost no more than 9 cents per passenger mile.

Based on those same conclusions the estimated ratio of costs recovered over this triangular route would be 72 percent. That is quite considerably better than what we have required, and that is at least a 50-percent cost recovery before we could consider it an economically viable or feasible operation. The route would have the fourth highest ridership in the Nation, the fourth lowest loss per passenger mile and the fifth best percentage of cost recovery.

So those are some thoughts that I just wanted to leave with you. Of course it would cost some money. If we were to think in terms of the capital outlay necessary to provide three passenger trains daily over this route, we would be looking at an investment of some $192 million. At the optimum, if we were thinking in terms of 12 passenger trains daily in both directions, we would be thinking of some $384 million of investment. Of course the 12 daily train service would be something beyond what we are thinking about now. That would probably yield a saving of some 10 million gallons of gasoline daily by providing service at frequent intervals.

So those are some of the things I wanted to suggest to you for your consideration. Early last year, when the President asked for abandonment of those routes of rail service which demonstrably had been losing money, many of us, trying to be statesmanlike said, well, very well, if you are going to do it over all the country and abandon those lines that have been losing money and where the opportunity has been given to the passenger to support the service, I suppose that is the thing to do.

Unfortunately, that happened just before the Iranian breakdown and the skyrocketing price of oil and gasoline. The gasoline shortage queued motorists up in great lines and it triggered off a rather rapid increase in ridership, particularly in these two corridors, one that was served and is served by the Inter-American and this other corridor that was served by a train that came from St. Louis down to Houston.

Unfortunately, this latter was the Lone Star and the Lone Star like many others throughout the country has been abandoned. Just prior to its abandonment it was experiencing remarkably rapid growth in passenger usage. I don't know that it was alone in that experience. Quite probably throughout the country other corridors that have just been abandoned as uneconomical have given some evidence of being right on the launching pad of economic feasibility.

So I suggest to you that you may want to consider those routes that show the greatest promise. I am sure that if the committee were to authorize expansion of Amtrak service it would want to consider the route from Los Angeles to San Diego. I think in addition you probably would want to consider extensions of this Northeast corridor both north and south because the potential seems to be there. Next I would urge you to consider very seriously the Texas Triangle because I think it provides a great potential for service.

That is all I have to say. I thank you for the privilege of having shared this time and these thoughts with you.

[Mr. Wright's prepared statement follows:]

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February 28, 1980

Testimony before the House Interstate and Foreign Commerce Committee's Subcommittee on Transportation & Commerce.

Mr. Chairman: Thank you for this opportunity to present a few thoughts concerning the possible expansion of Amtrak rail corridors. The Northeast corridor is heavily used and can be termed a reasonable success.

About six years ago, the possibility of establishing additional corridors in various population belts around the country was studied. It was decided not to go ahead with the idea at that time.

There were a number of reasons. Nowhere else in the country do we have the population density and the ridership potential that exists on the East Coast, between Boston and Washington, D.C. It seemed a good idea to wait and see how well the program developed here.

Moreover, energy costs were still relatively low six years ago. Alternative means of transportation between cities--buses, private autos and commercial planes--could compete most successfully with rail travel. America's dollar drain for foreign oil was not nearly as great then as it has become.

But in the last few years, railroads have experienced a gradual, steady increase in passenger interest. Nationwide, in just the past year, ridership on our railroads has gone up by about 7 percent. The greatest percentage increase in the entire nation has been on Amtrak's Inter-American train, which runs between Chicago and Laredo, Texas.

Passenger usage of this train has increased a rousing 67 percent over just a year ago!

This tells us something. It tells us that the high cost of gasoline, plus higher costs for air travel and for operating automobiles have begun to make passenger railroads competitive once again.

The public realizes this. Many people, in my opinion, will return to passenger trains with enthusiasm, if we can establish good, efficient service where the public needs it and the ridership potential warrants it.

As we have discovered, the Northeast Amtrak corridor serves a population of some 40 million people and carries 10 million passengers per year. That figure represents just Amtrak passengers. It does not include commuter passengers who ride other train lines in the Northeast.

Obviously, no section of the country can compare with that particular corridor, which contains roughly one-fifth of the entire population of the country.

Still, other sections of the country do very well. On average, comparing only distances and potential passengers, the corridor with the next best potential lies between Los Angeles and San Diego. This route already is served by six trains per day. It is an established corridor.

The same goes for the line between Washington, D.C., and Richmond. This, obviously, is just an extension of the Boston to Washington corridor and it has 4 daily trains.

There would seem to be a good potential corridor in the New York City to Buffalo run. Here again, there already are three daily trains, and sometimes more.

The next best area, according to my interpretation of studies done by Amtrak and the Department of Transportation, is the proposed Texas Triangle. It would serve the cities of Fort Worth, Waco, Temple, Austin, San Antonio, Houston, Dallas and points between -- cities which today are unconnected with continuous, two-way rail service.

As you can see from this chart, such a corridor, of 772 miles, much of it over improved rails that already can carry trains at a speed of 79 miles per hour, would serve a population of approximately 7 million people in the cities which lie on the line of service.

Except only for the potential rail corridors that already have substantial passenger train service, this corridor clearly shows the greatest promise.

This other chart gives some of the statistical projections for the Texas Triangle. These figures are based on the best information available, predicated upon Amtrak's experience with the Northeast corridor and other semi-corridor routes.

It is estimated that service of three trains per day, in each direction, would produce an average of 151 passengers per mile. Obviously there might be more passengers on the trains between Fort Worth-Dallas and Houston than between Waco and Temple, but the predictable average number of people carried per mile would be considerably above the standard set forth last year by Congress.

While this corridor would mean a great deal to the surrounding areas in terms of service, it could mean even more in terms of energy savings. If this rail corridor should draw the expected number of passengers, the fuel savings resulting from people not using their cars for intercity commuting could come to as much as 4.3 million gallons of gasoline per year.

In these times of energy shortages, that is a saving in fossil fuels clearly worthy of our attention.

When the Congress last year set certain standards for what might be considered viable passenger train corridors, it ruled that a ridership average of only 80 passengers per mile would be sufficient to justify a corridor. That bill was signed by the President. This Congressional criterion for passenger trains is now the basic legal guide. With a projected 151 passengers, trains in the Texas Triangle easily would exceed this Congressional criterion.

Initially, train service in the Texas Triangle might lose 2 cents per passenger mile. The law passed by Congress says that corridor trains can lose as much as 9 cents per passenger mile and still make sense economically and in terms of energy savings.

Trains in the Texas Triangle, it is estimated, would recover, through revenues, as much as 72 percent of their operating costs in the starting-up years. The Congressional criterion provides that a 50 percent cost-recovery would be sufficient to warrant authorization.

Obviously, improving tracks, grade crossing and signals and buying sufficient railroad passenger cars to service any new corridors will not be cheap. In the case of the Texas Triangle, it is estimated that these costs could range from $192 million, for three-train per day service, to $384 million for 12-train per day service.

But I might add that if we could run 12 trains per day in both directions on the Texas Triangle, it is projected that so many more people would be riding the train that our savings in gasoline would soar to more than 10 million gallons annually--just from people not using their cars to travel from city to city in Texas.

Compared to the 13 proposed corridors being considered, the ridership and cost-recovery potential of the Texas Triangle ranks immediately after the three proposed corridors -- Los Angeles-San Diego -- Washington-Richmond -- and New York-Buffalo -- all of which already enjoy limited but regular service.

Perhaps the Committee may want to give further thought to increasing service in those three corridors. I also notice that several proposed corridors out of Chicago show much promise.

In any case, I want to express my own enthusiasm for going ahead with additional passenger train corridors, and to stress that the Texas Triangle should be very high on the list of those worthy of your serious consideration.

Mr. **Florio**. We thank you very much for a very well thought out and a very persuasive presentation.

Mr. Matsui.

Mr. **Matsui**. I have no questions.

Mr. **Florio**. Mr. Madigan.

Mr. **Madigan**. I have no questions.

Mr. **Florio**. Mr. Santini.

Mr. **Santini**. Thank you, Mr. Chairman.

There is no service being provided between Dallas and Fort Worth at the present time?

Mr. **Wright**. Yes, there is service between Dallas and Fort Worth.

Mr. **Santini**. I mean Dallas and Houston.

Mr. **Wright**. Is there any service between Dallas and Houston? I don't think so. Through Temple. Well, you can go this way through Temple and then over to Houston.

The Inter-American, as I mentioned, from Chicago to Laredo comes by this route.

Mr. **Santini**. Excellent presentation.

Thank you, Mr. Chairman.

Mr. **Wright**. Thank you.

Mr. **Florio**. Thank you.

Mr. **Wright**. Thank you; I appreciate it.

Mr. **Florio**. We are pleased to have with us Mr. Lou Rossi, the State railroad administrator of the department of transportation in the State of New York.

Mr. Rossi.

STATEMENT OF LOUIS ROSSI, STATE RAILROAD ADMINISTRATOR, DEPARTMENT OF TRANSPORTATION, STATE OF NEW YORK

Mr. **Rossi**. I appreciate the opportunity to be here. Mr. Hennessy cannot be here and he sends his regrets. If there was any way he could have been here, he would have been.

I don't want to really take the time to read the statement. I will be brief.

Mr. **Florio**. We appreciate that.

Mr. **Rossi**. First, for those members who may not be familiar with our corridor, we have the corridor on the left—of the FRA chart in this room—the New York City/Albany/Buffalo City corridor. We did attach a couple of brochures that were prepared a few years ago to let their traveling public see what was going on. They are a little bit dated.

There is a track chart in a smaller folder that shows you the track speeds between Albany and Poughkeepsie—that is halfway to New York City—that are currently being built and I think that is the most important fact that I want to stress.

We are presently running 110-mile-per-hour train service in the first elements and that is between Albany and Amsterdam. This April the 110-mile-per-hour service will be beginning to be introduced south of Albany and we are working our way to New York City. By the end of this year we will have completed the design that you see in this chart between Poughkeepsie and Albany.

Let me stop for a second and say when something nice like that happens and we are finishing something early, I think a lot of the credit is to be handed to Conrail and Amtrak. Conrail has just been phenomenal for us in their ability to deliver excellent quality track, work with minimal overruns, fast and even ahead of schedule. Amtrak has brought the equipment in capable of running at these speeds. All in all we have a very successful package.

Not surprisingly, ridership in our corridor has been growing at a rate twice the national average and this diversion has been from autos. As you can see, this is principally a city spacing conducive to automobile travel. Air travel is not very big in New York State because of the short distances between the cities and the door-to-door traveltime to get downtown from the airports of the various cities.

Our critical need right now is to complete the corridor between Albany and New York City. Conrail has presented us with a program that will enable us to complete the entire construction that we had envisioned years ago by the end of 1982 if we can fund the full program this year. We have all but about $10 million of the State funding to build the remaining piece of this link.

I would like first of all to stress if there is any way that this legislation can provide some capital financing I think that in 1982 one of the very useful things you will have is a completed demonstration of exactly what this kind of corridor development can mean. So in that respect I differ from the statement of Alan Boyd in that the work has been done in this piece of our corridor and we would like an earlier possibility to fund its completion.

We also have in place the State financing for the development of the corridor from Albany to Buffalo that was provided under the 1979 Rail Bond Act. We are reserving this to see how this corridor legislation emerges. We believe this is a very good package to extend the service between Albany and Buffalo over a period of many years and I think in that regard we are fully in concert with the statements you have heard from Alan Boyd and FRA.

Mr. FLORIO. Mr. Rossi, could I ask at this point, you have said that the engineering would be done within a year and the cost would be approximately 10 percent of the cost of the project. Is that equal to your experience?

Mr. ROSSI. Well, we paid, I guess, no engineering costs in the development of this project. What we did was utilize the talent of Conrail and our own field organization to develop a track program. I think we need to keep in mind that what we have been trying to do in New York is simply rebuild the track. We are rebuilding the track to a very high standard but it is nothing more than I think good civil engineers probably 20 or 30 years ago knew how to do. The detailed engineering question is what standards do you use? What is cost effective?

Mr. FLORIO. Are we envisioning maximum speeds of 79 miles an hour? Is that what you are undertaking?

Mr. ROSSI. We have felt that we should try to push up to the 110-mile-an-hour speed. We have not developed 110 everywhere. We are not trying to straighten the geometry but where the tracks are straight we did build for 110 and the reason for that was that in this period of engineering that went on with Conrail we found that the added cost of going from class 5 track to class 6 track was very small. There are no additional materials required in the track, in the ties; it is mostly in the surfacing and the maintenance standard that you require it. So I think that is an engineering judgment that in every corridor has to be made. Even in our corridor we are not committed to 110 miles per hour everywhere but we are pushing up the speed capability without purchasing any additional right-of-way.

I think you can see that New York is very supportive of this legislation concept and I would like to just end my testimony by giving you three concepts that we endorse for the legislation.

First of all, I think this is different from anything you have heard today; we think there should be a matching program. I suggested in my testimony that this be a 50-50 match for the properties of the railroads and we believe it should be in those corridors that currently have good train density.

The reason for the matching program comes probably in my second recommendation. I think there should be a high degree of State involvement—we have worked with Amtrak and Conrail and have been able to accelerate the pace of construction, locally. I think the funding must be through FRA to the maximum extent possible. The flow of money should be down through the States, and I think that is tied in directly with the matching provision.

Finally, when we talk about the development in the corridors, service is really probably ultimately the most important. When we make the investments in facilities we want the traveling public to benefit from better service.

I would suggest that the 403(b) program be modified so as to encourage the participation of States in the trains. Many ways to encourage have already been put in legislation by your committee last year. I think one thing that will help, I have talked this over with Amtrak and they sympathize with the position, is that when a train meets the criteria that Amtrak ought not to be able to be taken into the system and removed from a State subsidy. The reason for that, I can tell you for certain from New York State, is it will encourage more operating subsidy from us to test the trains we believe are successful if we could show our budget office that when the train is successful it becomes a part of the route structure.

One last question. We have tried in several letters to suggest that a corridor on Long Island be looked at as an emerging corridor. The reason for that is the State has done a lot to allow speed in excess of 80 miles per hour. I would ask that the committee ask FRA to do a comparative analysis for us that would be from the eastern end of Long Island. It is 90 miles from New York City and as I have said, we are prepared to assist in financing that service.

May I say we will cooperate in any way necessary with the committee, other States, with private railroads that would like to see it was done in New York and invite any of those parties to feel free to call upon us, to come to New York and see what we have been trying to do in New York State.

I have provided, attached to my testimony, the answers to the questions that you sent to Commissioner Hennessy.

[Testimony resumes on p. 489.]

[Mr. Rossi's prepared statement and attachments follow:]

STATEMENT OF LOUIS ROSSI

I am pleased to have this opportunity to present New York State's views on the topic of emerging corridors and what we feel is the key to the future success of intercity rail transportation in this country.

NEW YORK'S HIGH SPEED RAIL PROGRAM

New York has long recognized the importance of developing high density rail corridors. We have embarked on our own on a major program to improve our New York City to Buffalo Empire Corridor which, we feel, may be the model of what a national corridor development program can achieve.

In the early 1970's rail passenger service in the State had reached an all time low, principally because of badly deteriorated physical plant. Hundreds of miles of separate passenger tracks had been torn up and passenger trains were being operated on the same tracks as the freight trains; overall speed limits had been lowered and slow orders abounded.

In 1974 our voters approved the first of two rail bond issues for both freight and passenger improvements to stabilize our railroads and reverse these trends. At that time it was determined that we could neither rely on federal funds becoming available for rail passenger projects nor could we allow service to sink any further.

What evolved several years later was a program of track and station upgrading which was directed at eliminating the poorest conditions and to demonstrate the benefits of high speed operations through a pilot program on the Poughkeepsie to Schenectady segment of our corridor. Studies conducted by our Department indicated that a threefold increase in rail ridership could occur if high speed operations were developed throughout the entire corridor. Ultimately we hope to be able to reduce to rail travel times between New York City and Buffalo by a full one-third over the schedules which were in effect in 1974.

Attached are copies of two brochures on our program. While they are somewhat outdated, they still provide a good overview of the organization and substance of our efforts.

New York State's HIGH SPEED RAIL PASSENGER PROGRAM

"Step aboard the Empire Service. Travel New York State's Empire Corridor from New York City to Albany to Buffalo on modern trains following faster and more efficient schedules."

Through a joint New York State/Amtrak/Conrail program, high-speed intercity rail travel is now being developed in New York State, one of the first such services in the nation. As a New Yorker, you are participating in your State's ambitious program to provide economical, futuristic rail passenger transportation.

WHY THE INVESTMENT IN RAIL TRAVEL?

Railroads were once a primary source of transportation in this country providing comfortable, accommodating service. Intercity rail passenger usage reached new peaks during the war years of the forties. In the fifties, however, the long decline in rail services began – a decline marked by disintegrating roadbeds, deteriorating capital equipment, poor management of services, neglect by both the public and private sectors, and the inability of railroads to compete effectively with other newer and faster modes of transportation.

The decline in service and deterioration of equipment was allowed to continue for over two decades. Finally, New York State became the first state to recognize that modern, attractive, high-speed intercity rail passenger service could make the railroads competitive with other modes and provide a fuel efficient, economical alternative means of travel.

To achieve this end, in 1974 New York State voters approved a $250 million rail bond issue that, by maximizing the use of available federal funds has provided a five-year, $950 million rail passenger and freight improvement program, with high-speed rail passenger service as one of its most significant goals. The $49.5 million of state bonds dedicated to intercity rail passenger improvements has been turned into a $154.9 million total program.

NEW YORK STATE'S HIGH-SPEED INTERCITY RAIL PASSENGER PROGRAM

The 2-phase program, already underway, is to upgrade and rehabilitate the rail line of the Empire Corridor, New York City-Albany-Buffalo, to a level capable of maintaining high-speed rail service.

Agencies Participating

- **Amtrak**

  The National Railroad Passenger Corporation created by the Federal Rail Passenger Service Act of 1970 as a corporation to operate and revitalize U.S. rail passenger service.

  - Owns and maintains rail passenger equipment (locomotives, coaches, etc.).
  - Operates services for rail intercity passenger travel. Provides on-board service personnel, station personnel and owns and operates most station facilities.
  - Provided all 7 newly-built Turboliners, capable of operating at speeds up to 110 mph, for the Empire Service ($31.5 million investment).
  - Acquired 10-mile Schenectady to Hoffmans track to provide passenger service through downtown Schenectady which will eliminate 20 minutes from the schedule.
  - Constructed Turboliner maintenance facility at Rensselaer ($15.8 million – 150 new employees).
  - Will supply additional new equipment as demand warrants.
  - Participates with New York and local communities in station rehabilitation and construction.

- **Conrail**

  Consolidated Rail Corporation created by Regional Rail Reorganization Act of 1973 to acquire and operate the rail freight properties conveyed to it under the U.S. Railway Association's "Final System Plan" for the bankrupt railroads. Properties of Conrail include those of bankrupt Penn Central and other railroads.

  - Owns major portion of track in Empire Corridor.
  - Conducts the state-funded track improvement program through contract with NYSDOT.
  - Responsible for maintenance-of-way program and upgrading to 70 mph.
  - Provides on-train operating crews for passenger service under contract with Amtrak and MTA.

- **NYSDOT**

  New York State Department of Transportation

  - Administration and implementation of NYS's $250 million Rail Bond Program.

    Includes $49.5 million state bond intercity rail passenger program under which:

    - Provides funds for track improvements.
    - Provides funds for station improvements throughout Empire Corridor in joint local/state/Amtrak program.
  - Shares with Amtrak the costs of operation of one rail passenger train between NYC and Montreal and one from Buffalo to Detroit.

- **MTA**

  Metropolitan Transportation Authority

  - With state funds:

    Leases tracks and facilities south of Poughkeepsie and provides these at no cost to Amtrak and Conrail.

    Operates connecting rail commuter service in Empire Corridor (New York City – Poughkeepsie.)

    Responsible for maintenance-of-way program New York City – Poughkeepsie.

As you ride the train across New York State, you will see the evidence of New York's commitment to providing attractive and desirable rail service for its citizens. Following is a description of the track and station work between New York City and Buffalo that has been completed, is underway or will be getting underway in the near future to make your trip on Amtrak trains as pleasant, convenient and efficient as possible.

PHASE I
HIGH-SPEED RAIL IMPROVEMENT PROGRAM

OBJECTIVES

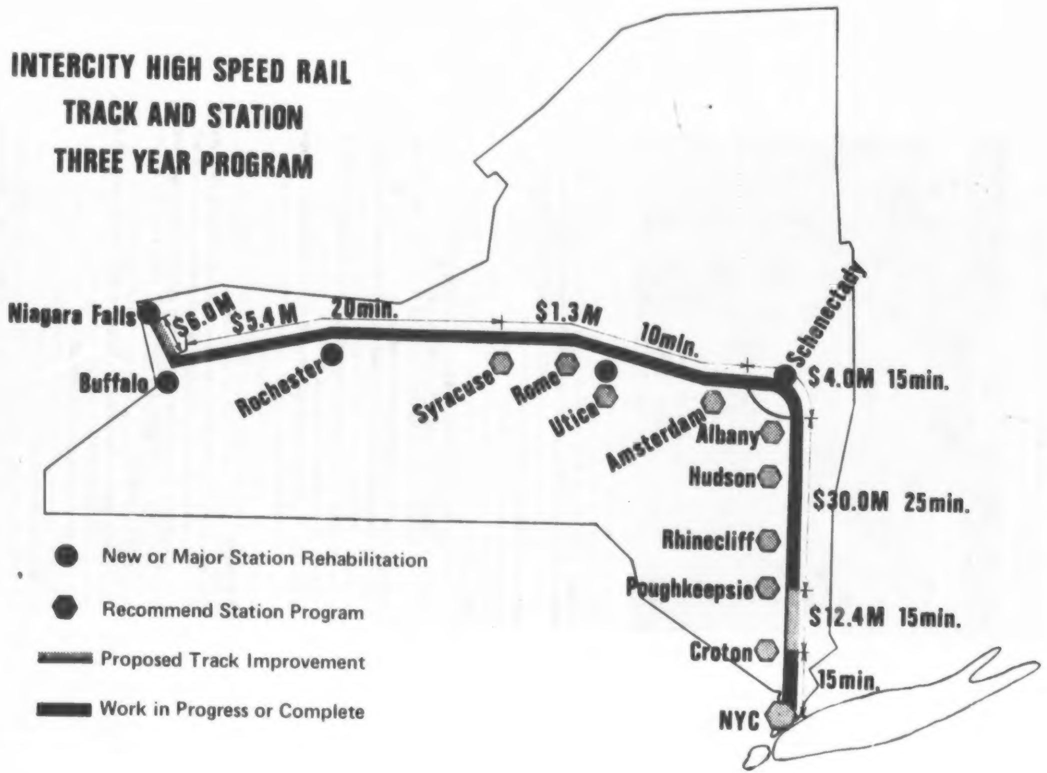
- Increase ridership from present 700,000 annual figure to 1.2 million.
- 110 mph maximum operating speeds (depending upon curvature) between New York City and Schenectady-Hoffmans (up from 1974 levels of 70 mph.)
- Decrease running time (see chart, Goal for Running Times, under Phase II).
  55 minute decrease Albany – New York City for an approximate running time of 1 hour 55 minutes.
  1 hour decrease Albany – Buffalo for an approximate running time of 4 hours 35 minutes.
- Provide passenger service to downtown Schenectady and from Buffalo to Niagara Falls.
- Increase service frequency and reliability.

IMPROVEMENTS

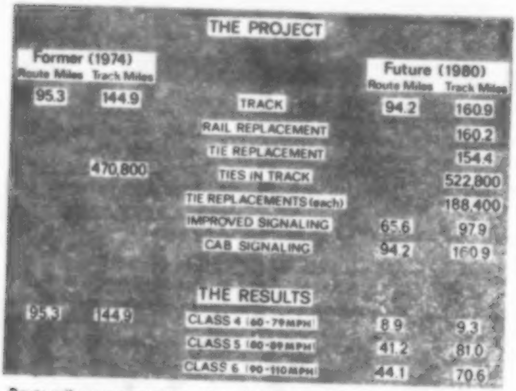
● Track

- $6.7 million for rehabilitation of 50 switchpoints between Albany and Buffalo to eliminate 119 speed bottlenecks, permitting immediate reductions in train schedules (nearing completion).
- $6 million rehabilitation of Niagara Branch line, Buffalo – Niagara Falls (underway).
- $36 million state rail bond funds committed to track and signal improvements Poughkeepsie – Schenectady (underway):
    - Installation of continuous welded rail (160 miles) – Eliminates "joints" thus permitting higher speeds.
    - Installation new signal system (cab signalling) – Permits trains to operate over 79 mph.
    - Improvements to 10-mile Schenectady-Hoffmans track to enable rerouting of trains through downtown Schenectady. Will decrease running time New York City – Albany by 30 minutes.
- Interlocking projects to enable higher speeds and faster travel times.
    - Realignment of interlockings (track switchovers) at Rhinecliff and Barrytown (completed).
- Track and signal improvements New York City – Croton-Harmon in MTA territory to benefit both commuter lines and Amtrak intercity service (underway):
    - Installation new welded rail.
    - Installation cab signalling system.
    - Rehabilitation interlockings.
- $6 million of a total $17 million program for track and signal improvements Croton-Harmon – Poughkeepsie in MTA territory (to begin late 1978):
    - Continuation of work New York City – Croton-Harmon. Remaining $11 million of improvements scheduled for Phase II.

INTERCITY HIGH SPEED RAIL
TRACK AND STATION
THREE YEAR PROGRAM


Niagara Falls
$6.0M
$5.4M
20min.
$1.3M
10min.
Schenectady
$4.0M 15min.
Buffalo
Rochester
Syracuse
Rome
Utica
Amsterdam
Albany
Hudson
$30.0M 25min.
Rhinecliff
Poughkeepsie
$12.4M 15min.
Croton
15min.
NYC
New or Major Station Rehabilitation
Recommend Station Program
Proposed Track Improvement
Work in Progress or Complete

The following chart describes in detail Phase I Poughkeepsie – Schenectady work:



THE PROJECT

Former (1974) Route Miles	Former (1974) Track Miles		Future (1980) Route Miles	Future (1980) Track Miles
95.3	144.9	TRACK	94.2	160.9
		RAIL REPLACEMENT		160.2
		TIE REPLACEMENT		154.4
	470,800	TIES IN TRACK		522,800
		TIE REPLACEMENTS (each)		188,400
		IMPROVED SIGNALING	65.6	97.9
		CAB SIGNALING	94.2	160.9

THE RESULTS

Former (1974) Route Miles	Former (1974) Track Miles		Future (1980) Route Miles	Future (1980) Track Miles
95.3	144.9	CLASS 4 (60-79MPH)	8.9	9.3
		CLASS 5 (80-89MPH)	41.2	81.0
		CLASS 6 (90-110MPH)	44.1	70.6

Route miles represent the number of miles from Point A to Point B. Track miles represent the amount of track, i.e., two tracks, one in each direction, between Points A and B would mean double the number of track miles as there are route miles. A class defines the track conditions that must be met to enable trains to travel at specific speeds determined adequate and safe for that class or level of service.

● **Equipment**

– Rohr Turboliners, American-built, French-designed.
  Modern, light-weight, turbine-powered train.
  Unit design – 2 turbine power cars, one at each end, 2 coach cars and 1 coach/snack bar car.
  Accommodations equivalent to first-class airline accommodations.
  First 7 Turboliners acquired by Amtrak were assigned to Empire Corridor service.

– Other new Amfleet equipment as it becomes available and passenger demand warrants.

● **Stations**

As you travel up the Hudson to Albany and then west to Buffalo, the many old and sometimes beautiful stations at which you will stop will be getting a new look described below to present to the public, along with added conveniences and comforts to make your trip as pleasurable as possible.

– New Station Construction (Estimated $1.8 million state, $6.8 million total cost)
  Joint City/State/Amtrak program.

■ *Rochester Station*

The new station, completed July 1978, is built on the site of the former station at Clinton and Central Avenues. The 7,200 square foot building has a waiting room for about 150 persons and a lighted parking area for 75 cars. The City of Rochester provided the additional land required at a value of $213,000; New York contributed $575,000 and Amtrak $1,034,000.

■ *Schenectady Station*

Schenectady has been without rail passenger service since 1969 when the downtown terminal was closed. With Amtrak's acquisition of the Schenectady – Hoffmans track passenger trains can once again be routed through the City. A new station building will be constructed at approximately the same site as the former station at the corner of State Street and Erie Boulevard.

Patronage, to be served by the 3,600 square foot building and parking facilities for about 62 cars, is projected to reach 64,000 annually by 1980. The City has deeded land for the station to Amtrak at an approximate value of $60,500 and will contribute $30,000 to construction costs; New York State's share of construction will be $227,000 and Amtrak's $423,500.

- *Buffalo, Cheektowaga and Niagara Falls Proposed New Stations*

  Downtown Buffalo (Exchange Street) and Cheektowaga have been selected as the sites for new station construction to serve the Buffalo area. A site has also been selected for the new Niagara Falls station. Construction of the station is scheduled to coincide with construction of the $6 million state-funded track work between Buffalo and Niagara Falls. In the meantime, Amtrak will provide full service to Niagara Falls in the Fall 1978.

– **Station Rehabilitation** (**$1.13 million state, $1.84 million total**)

Rail passenger stations and parking lots in the Empire Corridor generally had been allowed to deteriorate to the point where they did not provide the rail travelers of this State with an acceptable level of service. Through a joint local/State/Amtrak program, these stations are being rehabilitated beginning with the most severely deteriorated stations. Traveling north from New York City and west from Albany, you may see the improvements undertaken at these stations:

- *New York City* – A $1 million state-funded project at Grand Central Terminal primarily to install new escalators, refurbish and/or convert existing elevators. Other improvements have already been made by MTA.
- *Poughkeepsie* – Emergency improvements for $60,000 are being undertaken by the State and further extensive corrective measures to the building, platforms, canopies, elevators, etc. Parking facilities for approximately 325 autos are to be provided. The State will contribute $130,000 for the station building work and $82,500 for the parking lot work; federal funds for $280,000 are available for the building work and $192,500 for the parking lot.
- *Rhinecliff* – Over $90,000 was spent by Amtrak on rehabilitation of the buildings and platform area. The State provided $16,500 and other federal funds $38,500 for the expansion, paving and additional lighting of the parking lot to provide 30 spaces. The 1975 ridership of 60,000 annually is projected to increase to over 250,000 with the completion of the high-speed rail program.
- *Hudson* – Improvements to the station building, at a cost to Amtrak of $52,900, are complete. State funds of $31,400 and federal funds of $73,400 have provided for the expansion and paving of the parking lot to 70 spaces. Current patronage of 84,000 is expected to increase to over 323,000 with high-speed rail service fully implemented.
- *Utica* – Over 50 years old, the Union Station building was built in the heyday of railroading and has unique architectural and historical significance. It has been added to the National Register of Historic Places and the NYS Budget has designated $250,000 for historic preservation through the NYS Office of Parks and Recreation. New York State has committed $150,000 to parking lot improvements, Amtrak $87,400 to station work, while other funds available for rehabilitation, because of the historic value of Union Station, are $1,075,200 from the Federal Economic Development Administration and $210,800 from Oneida County. The 1975 annual ridership level of 56,000 is expected to increase to over 235,000 with the advent of complete high-speed rail service.
- *Rome* – A rehabilitation of the station building, canopies and platform areas has been accomplished for $100,000 of Amtrak funds. New York State plans to undertake improvements to the station's two parking areas, including paving, striping and the addition of lighting. Completion of the high-speed rail improvement program will mean over 80,000 riders annually from or to Rome, a significant increase from the 1976 ridership level of 19,000.

Phase I completes all expenditures for rail service improvements under the 1974 Rail Preservation Bond Program.

PHASE II
HIGH-SPEED RAIL IMPROVEMENT PROGRAM

Phase II will extend the rail improvement program begun under the 1974 Rail Bond Act, to realize full high-speed rail passenger service throughout the Empire Corridor, New York City-Albany-Buffalo. To accomplish Phase II will necessitate further investment in this corridor. The purpose of the Phase II project and the work proposed under this phase are described below.

OBJECTIVES

- Increase ridership to 2½ - 3 million annually.
- 110 mph maximum allowable operating speeds in the entire Empire Corridor, New York City-Albany-Buffalo.
- Decrease travel time.
  2 hour *45* minute decrease from New York City to Buffalo over 1974 schedule.

  This and other running times highlighted:

GOAL FOR HIGH SPEED RAIL

RUNNING TIMES
EMPIRE SERVICE CORRIDOR

		Completion of	
	1974	**Phase I**	**Phase II**
New York City to Albany-Rensselaer	2:50	1:55	1:55
New York City to Buffalo	8:30	6:30	5:45
Albany-Rensselaer to Buffalo	5:35	4:35	3:50

- Maximize service reliability, efficiency, and safety.
- Divert travelers from other modes, particularly automobiles, thus decreasing energy consumption and air pollution.

IMPROVEMENTS

- **Track**
  - Rehabilitation track Schenectady–Hoffmans to Buffalo.
  - Installation continuous welded rail.
  - Installation cab signal system.
  - Completion of $17 million track and signal improvements Croton-Harmon- Poughkeepsie begun in Phase I. Plus additional track work between Croton-Harmon & New York City.
- **Equipment**
  - In addition to the 7 new Turboliners, two to three times as many more sets of suitable equipment will be provided by Amtrak as ridership increases.
- **Station**
  - Additional station repairs and rehabilitation will be undertaken as necessary.

OTHER POSSIBLE CONSIDERATIONS

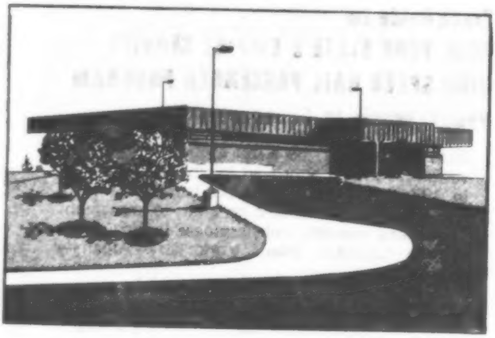
- **Express Trains**

  New York City-Hudson-Albany.

  Between other major cities in the corridor.

Relocation Albany-Rensselaer station.

Innovative rail services as technology expands.



This is a sketch of the new Rochester Station. It also signifies the look of future stations in the Empire Corridor.

Amtrak, Conrail and New York State hope you will pardon any delays or minor service interruptions that may occur as a result of the ongoing track work. In only a few short years, this improvement work will bring to you rail passenger travel among the fastest offered in the Nation.

Amtrak

CONRAIL

New York State Rail Division

Department of Transportation

Track Guide to
NEW YORK STATE'S EMPIRE SERVICE
HIGH SPEED RAIL PASSENGER PROGRAM
Poughkeepsie to Schenectady

With funds from the $250 Million Rail Preservation Bond Act approved by the State's voters in 1974, New York State has launched a track and station improvement program to implement high speed intercity rail passenger service in the Empire Corridor (New York City—Albany—Buffalo).

Participating Agencies in High Speed Program

● Amtrak

The National Railroad Passenger Corporation created by the Federal Rail Passenger Service Act of 1970 as a corporation to operate and revitalize US rail passenger service.

Responsibilities:

- Owns and maintains rail passenger equipment (locomotives, coaches, etc.).
- Operates services for rail passenger travel. Provides on-board train personnel. Provides station personnel, operates station facilities.
- Provided all 7 newly built Turboliners, capable of operating at speeds up to 110 MPH, for the Empire Service ($31.5 million investment).
- Acquired 10 miles of track, Schenectady to Hoffmans.
- Constructed Turboliner maintenance facility at Rensselaer ($19.5 million – 150 employees).
- Will supply additional new equipment to meet passenger demand as a result of track improvements.

● Conrail

Consolidated Rail Corporation created by Regional Rail Reorganization Act of 1973 to acquire and operate the rail freight properties conveyed to it under the US Railway Association's "Final System Plan" for the bankrupt railroads. Properties of Conrail include those of bankrupt Penn Central as well as lesser railroads.

Responsibilities:

- Owns major portion of track in Empire Corridor (excluding Poughkeepsie to New York City).
- Contracted to undertake track improvements funded by NYS.
- Provides train operators for passenger service under contract with Amtrak.

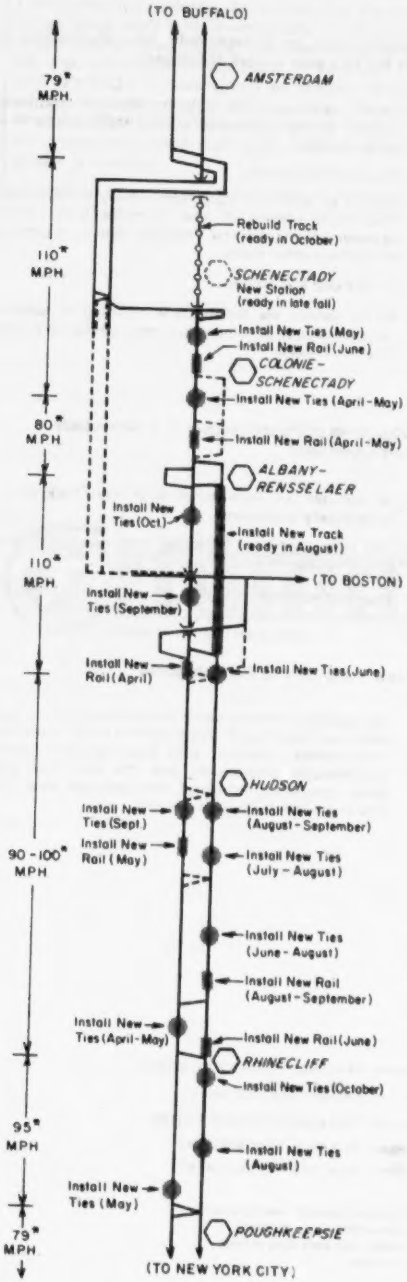
● NYSDOT

New York State Department of Transportation

Responsibilities:

- Administration and implementation of NYS's $250 Million Rail Bond Program
  - Provides funds for track work.
  - Provides funds for station improvements throughout Empire Corridor in a joint program with Amtrak.
- Subsidizes with Amtrak the operation of a rail passenger train between New York City and Montreal and one from Buffalo to Detroit.

HIGH SPEED RAIL SERVICE
1978 TIE AND RAIL WORK SCHEDULE


(TO BUFFALO)
AMSTERDAM
79* MPH
110* MPH
Rebuild Track (ready in October)
SCHENECTADY New Station (ready in late fall)
Install New Ties (May)
Install New Rail (June)
COLONIE-SCHENECTADY
Install New Ties (April-May)
80* MPH
Install New Rail (April-May)
ALBANY-RENSSELAER
Install New Ties (Oct)
Install New Track (ready in August)
110* MPH
(TO BOSTON)
Install New Ties (September)
Install New Rail (April)
Install New Ties (June)
HUDSON
Install New Ties (Sept.)
Install New Ties (August-September)
Install New Rail (May)
90-100* MPH
Install New Ties (July-August)
Install New Ties (June-August)
Install New Rail (August-September)
Install New Ties (April-May)
Install New Rail (June)
RHINECLIFF
Install New Ties (October)
95* MPH
Install New Ties (August)
Install New Ties (May)
POUGHKEEPSIE
79* MPH
(TO NEW YORK CITY)

New York State's Track Improvement Program

- **Poughkeepsie to Schenectady (see illustration at left for this year's work locations).**
  - Install continuous 160 miles welded rail (eliminates "joints" in track, thus permitting trains to travel at higher speeds).
  - Replace 188,440 ties.
  - Provide an additional track from Albany to Stuyvesant. This would provide at least a double track railroad between Albany and New York City thereby minimizing delays from other trains.
  - Project cost $36 million.
  - Route servcie via Schenectady resulting in schedule reductions west of Albany and new service to Electric City this October.

- **Objectives of Poughkeepsie – Schenectady Improvements**
  - 30 minutes cut from travel time New York City – Schenectady (Hoffmans).
  - 110 MPH maximum allowable train speed New York City – Albany corridor.
  - Improved schedule reliability.

- **New York City to Poughkeepsie**
  - Metropolitan Transportation Authority (MTA) to begin track and signal work this summer (1978). Additional improvement consistent with improvements north of Poughkeepsie programmed over the next two years. When completed, scheduled time between New York City and Albany will be two hours.

——— PASSENGER SERVICE EXISTING
- - - - FREIGHT SERVICE ONLY
o-o-o- PASSENGER SERVICE FUTURE
━━ NEW RAIL REPLACEMENT
-●- NEW TIES REPLACEMENT

*Maximum allowable track speed after improvements are completed. Speeds vary depending on track curvature

Please be aware that minor service interruptions or delays may be experienced as this work is advanced. The illustration indicates the months and the locations where track work will be undertaken so that you may follow our progress as you ride the Empire Corridor. All the participating agencies – Amtrak, Conrail, and NYSDOT – are doing everything possible to minimize delays during construction. Your support is appreciated while the high speed improvements are made and until full high speed rail passenger service is realized.

New York State Rail Division
Department of Transportation 5/1/78

As this initial phase of our program nears completion, the inflation of recent years, an acute energy problem, and our achievements to date have demonstrated our foresight. As measures of the benefits of our State investments, the first 110 mph passenger train operations in the Nation were inaugurated on portions of our Empire Corridor last fall and we will soon be half-way towards meeting our running time goals. Not surprisingly, ridership in our corridor has been growing at a rate twice the national average. Much still remains to be done to fully develop the ridership potential of our corridor. Most critical is our immediate need for ten million in outside funding this year to continue the momentum of our high speed program and complete high speed improvements between Croton-Harmon and Poughkeepsie. Due to the temporary hold that has been placed on Conrail's own extensive system rehabilitation program, we now find ourselves in the position of being able to take advantage of the increased availability of Conrail's personnel by accelerating our program, and completing the Albany to New York City program by the end of 1982 -- two years ahead of schedule -- and in-so-doing saving millions in construction costs by beating inflation.

Another important project is the construction of a direct connection between the Empire and Northeast Corridors at Penn Station. Although the New York City to Albany portion of our corridor is a designated feeder route to the Northeast corridor, the lack of federal commitment to date to the upgrading of our corridor and this project means that two of the finest corridors in the Nation remain essentially separate. Considerable emphasis should be placed on the concept of corridor integration nationwide.

In the longer run, we will be upgrading the Albany-Buffalo-Niagara Falls link for high speed operation. State funds from the 1979 Rail Bond Act which are intended to be applied to this work are being held pending the development of federal emerging corridors legislation.

RECOMMENDED EMERGING CORRIDOR PROGRAM

The availability of federal assistance in upgrading certain rail passenger corridors would provide the missing piece in the Amtrak puzzle and should allow establishment of a cohesive federal-local program dealing with initiation, promotion, upgrading and stabilizing intercity rail passenger services. It is key that the States be encouraged to take an aggressive role in revitalizing rail passenger transportation. This program should have the following features:

- Federal funds to upgrade track must be only on a 50/50 match basis on properties which do not belong to Amtrak. To be eligible for these funds a corridor must have basic system trains and meet additional criteria relative to ridership potential, energy savings and overall enhancement of Amtrak's system performance. In this latter regard, we recommend priority treatment of feeder routes — particularly those of the Northeast Corridor.
- Most importantly, regarding organizational and management responsibilities, the FRA should be charged with the grant agency role, and the States and the railroad owning the facility and Amtrak should be responsible for arriving at an optimum program of projects that will significantly enhance patronage in the corridor including the attainment of an average operating speed in excess of 55 miles per hour. The States alone should be responsible for the design and construction phases.
- The current Section 403(b) operating program should be modified to provide that trains which successfully exceed certain threshold criteria are guaranteed entry into Amtrak's basic system. And, there should be no other way to gain entry. These threshold criteria could be those used in the recent route restructuring legislation or others consistent with federal objectives. It is also important to provide for change at the other end, that is, to transition basic system trains that do not perform up to these standards into the 403(b) program.

THE LONG ISLAND RAIL ROAD

I would also like to suggest that the FRA and Amtrak include the Long Island Rail Road in its future studies of other potential emerging corridors. Although commonly thought of as merely a commuter railroad, it is no different in length than the Chicago to Milwaukee or the Philadelphia to Harrisburg intercity routes and because of the large intermediate population centers, the Long Island Rail Road has a greater density of population per route mile than either of these routes. It is also a corridor of proven potential carrying three and one-half times more riders annually than Amtrak, and acts as a feeder to the Northeast Corridor at Penn Station - the largest hub of rail passenger travel in the Nation.

This concludes my remarks today. My written testimony which I am leaving with you goes on to address the four specific questions raised in Congressman Florio's letter of February 20, 1980 to Commissioner Hennessy on various organizational aspects of New York State's program. Thank you for the opportunity to provide our views.

RESPONSES TO QUESTIONS RAISED BY CONGRESSMAN FLORIO ON NEW YORK'S PROGRAM

1. New York's Experience with Conrail During the Upgrading of the New York-Buffalo Corridor

We cannot praise Conrail too highly. As you may know, Conrail is the principal owner of the trackage which we have been improving. We elected to have Conrail's own engineering and track and signal personnel be responsible for design and construction work rather than select outside contractors. We first of all fleshed out our program of projects with Conrail, then once Conrail was under contract, the State acted in the same capacity as it does with any transportation construction project with involvement ranging from project management to inspection of work. From this experience we now maintain the highest degree of respect for Conrail in their overall cooperation and in the delivery of our projects. We are well ahead of our construction targets in the high speed program. When you realize that the freight railroads too may often have a stake in passenger improvement projects, I think you'd find that the lack of a spirit of cooperation by the freight railroads would be the exception rather than the norm.

2. Organizational And Management Responsibilities Recommended for USDOT, Amtrak and the States Under an Emerging Corridors Program

Our basic views on this topic were presented in our outline for the emerging corridors program. Due to the likelihood of five dollar-a-gallon gasoline by 1985 and our increasing dependence on foreign oil supplies, it is imperative that actual construction work in the various corridors begin as soon as possible. This translates into the overwhelming need for each corridors improvement program to be locally managed.

3. Recommended incentives to encourage rail freight carriers to corridor projects

From our experience with Conrail, we feel no additional incentives are necessary (see 1 above).

4. Institutional and operational barriers to our corridor projects; general recommendations

In the Empire Corridor there were four organizations which had a significant institutional interest in the program: NYSDOT, Conrail, Amtrak, and the Metropolitan Transportation Authority. The obstacles to insuring that each organizations interests were sufficiently protected may seem overwhelming, but there were solved at the local level.

As far as our experience with operational barriers is concerned, the key words of advice are to improve flexibility. Special consideration should be given to the installation of new crossovers, passing sidings, and changes to signal systems. Due to the lead time required for signal work, getting this aspect of the program underway should be one of the first orders of business. In some cases the minimization of operating impacts may suggest that night time scheduling of construction work is to be pursued. As you may know, this is how the Japanese maintain their passenger system.

Due to the more frequent operation of both freight and passenger trains in corridors there is also the need to maintain a flexibile attitude on scheduling: preferably to adjust train arrival and departure times to eliminate pass-by conflicts between trains in cases where track is taken out of service, and possibly to increase running times to reflect maintenance-of-way delays. This last possibility is just that - something to pursue if other options are unavailable.

Mr. Florio. Mr. Madigan.

Mr. Madigan. You said the only difference between the 110 and the other speed was the surfacing. Could you expand on that?

Mr. Rossi. Our first approach was simply to restore the 79 mile an hour track. When we sat down with Conrail and looked at the capital reinvestments that were required, we found that the materials that are necessary for the difference in these speeds were essentially the same. It was virtually the same number of ties. You need all good ties to have the 110-mile-per-hour speed and you need all good ties under the 110 speed. In the case of New York we had to purchase ties to replace those that had been deteriorating for 20 years.

The rail cost was comparable on all levels of track for whatever track standard we found. There were higher labor costs and more but the net percent was very small. I didn't bring these tables with me but if you like I can provide you with a comparative analysis to go to a higher track and why it is a very small percent over 79 mile-per-hour spread.

Mr. Madigan. I think that would be helpful to us.

[The following letter was received for the record:]

NEW YORK STATE
DEPARTMENT OF TRANSPORTATION
William C. Hennessy, Commissioner

1220 Washington Avenue, State Campus, Albany, New York 12232

February 29, 1980

The Honorable James Florio
The Honorable Edward Madigan
House of Representatives
Washington, DC 20515

Gentlemen:

During my testimony yesterday, you asked me to provide more detailed information about the decisions New York had made in deciding to upgrade our high speed rail corridor to 110 mph maximum operating speed instead of only 79 mph maximum speed. This letter will describe the process and cost element for the decisions we made in 1977.

All the decisions we made were closely coordinated and guided by Conrail. Our first decision was to stay within the existing right-of-way, although in one instance a shift of the track location on the existing embankment was very beneficial. Having made that decision, we then examined the merit of rehabilitation to either class 4 (79 mph) class 5 (90 mph) or class 6 (110 mph). We found that the cost to upgrade to 79 mph was $37,909,000. This would have eliminated 21 minutes from the schedule at a cost per minute saved of $1,805,000. There is no difference between the number of ties required in a class 4 or class 5 track. The difference between class 5 and class 6, according to the FRA standard, is two additional ties per rail length, or 250 less non-defective ties per mile; this added cost is less than $10,000 per mile. Essentially, there is no difference in the track investment required.

In the New York to Albany portion of the New York to Buffalo corridor, the density of train operations is quite high. In fact there are 350 daily commuter trains in this territory. We made the decision to invest in the cab signalling system required for a 110 mph operation. This raised our total project cost to $48,880,000; however, the schedule time reduction was raised from 21 minutes to 32 minutes giving us a net cost per minute saved of $1,528,000 a substantial reduction of the cost per minute saved in the 79 mph program described above. In fact, the incremental investment of $10,971,000 gave us a saving of 11 additional minutes at a net incremental cost of $997,000 per minute saved. For purposes of comparison, the cost per minute saved in the Northeast Corridor under the current funding level is $21,874,784 per minute saved for the Boston to Washington Corridor. This shows how cost-effective the emerging corridors can be.

The issue of cab signals, which was a substantial cost in the Albany to New York corridor deserves special attention. The current standards which require cab signals and alternative train stop controls were first prescribed in 1939 by the Interstate Commerce Commission and re-established in 1947. This was an era of steam locomotive operation and vacuum tube signalling equipment. The Committee might wish to call for a review of the standards by FRA. Nevertheless, as they are presently written, the standards allow for waivers to be issued, however, I know of no instance where any waiver request has been granted. Consequently, it might be possible for FRA to take a more flexible attitude with regard to waivers at least in the developmental stage of the emerging corridor program and where commuter trains are not present. For example, in the portion of our corridor between Albany and Buffalo we do not feel it will be necessary to install cab signals, even though the density of freight operations in this corridor is among the heaviest in the nation.

As you can see, no firm position that 79 mph should be the top speed for corridor development should be taken. From a capital investment point of view, the flexibility to develop the top speed potential of existing right-of-way alignment geometry should be provided. From a ridership standpoint, we have found in our corridor that time savings generate the biggest ridership gains to be derived from automobile diversion.

It is true that higher speed does entail a higher maintenance cost. Rather than depend entirely on our experience, I believe it would be most wise to have FRA price out the additional tie and surfacing costs to develop a standard for incremental maintenance at each track standard. The agreement Amtrak reached in New York for incremental maintenance in 110 mph territory is an added maintenance cost of approximately $7,000 per track mile. While this figure is large, our estimate is that the revenues from the added ridership repay this added maintenance 12 times over each year.

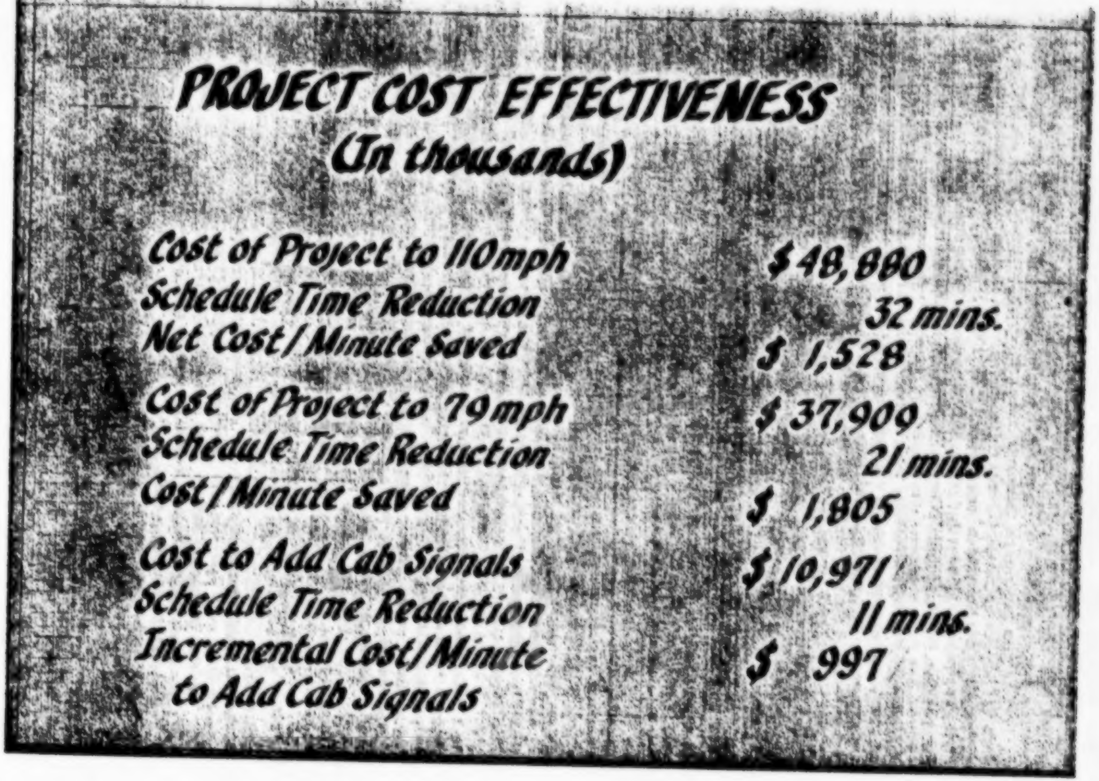
As I mentioned yesterday, we have the ability to complete our entire program by the end of 1982, two years ahead of schedule. We have invested nearly $50 million so far and are ready to commit an additional $20 million the maximum extent of our current authority if $10 million more in federal funds can be found this year. These funds have to be made available this year in order to meet the 1982 completion date.

Sincerely,

Louis Rossi

LOUIS ROSSI
State Railroad Administrator

cc: Mr. Lou Thompson, NECIP
Mr. James Diffenderfer, Conrail
Mr. William Druhan, NCSRO
Mr. Brad Johnson, NYS Office of Federal Affairs



PROJECT COST EFFECTIVENESS
(In thousands)

Cost of Project to 110mph	$48,880
Schedule Time Reduction	32 mins.
Net Cost/Minute Saved	$ 1,528
Cost of Project to 79mph	$ 37,909
Schedule Time Reduction	21 mins.
Cost/Minute Saved	$ 1,805
Cost to Add Cab Signals	$ 10,971
Schedule Time Reduction	11 mins.
Incremental Cost/Minute to Add Cab Signals	$ 997

Mr. MADIGAN. You suggested that when a train meets the criteria that it should become our train. Do you think it should become our train permanently or only for as long as it continues to meet those standards?

Mr. ROSSI. I think all trains should run only as long as they continue to meet the standards.

Mr. MADIGAN. I have no other questions, Mr. Chairman.

Mr. FLORIO. Thank you, Mr. Madigan.

Mr. ROSSI. Thank you.

Mr. FLORIO. Our next three witnesses we would like to come forward represent State departments of transportation: Mr. Scott Nadler, chief of the Bureau of Railroads of the Illinois Department of Transportation; Mr. Weston Vivian, commissioner, Michigan State Transportation Commission; and Mr. Mark Randall, director, Ohio Rail Transportation Authority.

Gentlemen, for the record could you identify yourselves and then proceed as you see fit.

STATEMENT OF SCOTT NADLER, ON BEHALF OF JOHN D. KRAMER, SECRETARY, ILLINOIS DEPARTMENT OF TRANSPORTATION

Mr. NADLER. My name is Scott Nadler. I am representing Secretary Kramer from the Illinois Department of Transportation. I would like to submit our testimony for the record and instead of reading I will briefly summarize.

Mr. FLORIO. Without objection, all your statements will be included in the record.

Mr. NADLER. I will summarize and then respond to any questions the subcommittee has.

We speak from the experience of nearly 10 years of involvement in intercity passenger trains. In fact, our experience goes back quite a ways. So we have some experience in the area of the routes with frequencies in the neighborhood of three trains per day.

I think that the DOT and Amtrak report is a good beginning. In particular we begin with the points brought out by Alan Boyd. We have the experience particularly on the routes between Chicago and St. Louis and in the Chicago/Carbondale areas. There are some very significant economies of scale in both use of facilities and equipment that makes the corridor look attractive particularly in Chicago where five of the corridors radiate out from a hub, more than 50 trains a day.

There is the potential to improve service, improve ridership, reduce cost on a wide variety of trains even beyond the corridors we are discussing. I would like to stress there are some opportunities for reducing the cost per passenger with the corridor program.

We shared Administrator Sullivan's concern with what he called the tax liability. However, with some positive and innovative approaches we find that the operating costs would be reduced below the current levels. In summary, I think Administrator Sullivan would agree we have a lot to learn. I would stress more importantly that we have a lot to do.

Second, I will address a couple of specific questions that the subcommittee has raised on institutional roles in the corridor program. Very briefly, I would endorse the amendment that the Department of Transportation would be the funding agency. I think they should be actually responsible for performing the work.

I look at the carrot as well as the stick. I also stress the importance of working with the Department of Transportation on rail programs and projects; for example, coordinating with the title V program.

In summary, I would like to reiterate simply that we are very supportive of the idea. We look with interest toward any of the corridors that emanate out from the main area. We think that the best return on investments would be to consider the number of corridors emanating out of Chicago as an expansion of the current hub wheels that it already has in place. I appreciate the committee's concern here today.

[Mr. Kramer's perpared statement follows:]

TESTIMONY OF
JOHN D. KRAMER, SECRETARY
ILLINOIS DEPARTMENT OF TRANSPORTATION

ON

EMERGING RAIL CORRIDORS

BEFORE THE
HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

FEBRUARY 28, 1980

Good Morning. I am John D. Kramer, Secretary of Transportation of the State of Illinois. I appreciate the opportunity to appear before you on behalf of the State of Illinois to present our views on the very important subject of emerging corridors. As you know, Illinois has long experience in the field of passenger train service. As early as 1971, we were providing operating assistance for two private sector passenger trains connecting Chicago with Peoria and the Quad Cities. Later, Illinois became the first state to avail itself of the Section 403(b) provision of the National Rail Passenger Service Act, under which states co-sponsor passenger trains in funding partnership with Amtrak. The first 403(b) train, the Illinois Zephyr, is still running today, providing Western Illinois with an important transportation service. With nine years of experience and one of the most extensive state-supported 403(b) programs in the nation, we feel Illinois has a great deal to contribute to the national dialogue on the future of intercity public transportation.

In 1964, Congress showed great foresight in authorizing the Northeast Corridor Project. While many problems were encountered in implementing this project, the nation as a whole now benefits from the energy savings, decreased congestion, and increased mobility that the Northeast Corridor Project has brought about. The concept of fast and frequent rail passenger service on routes linking significant population centers is a success. Now Congress' challenge is to extend the corridor concept throughout the nation, while taking care to avoid the strategic and project level problems which have slowed completion of the Northeast Corridor Project.

The importance of upgrading corridors outside of the Northeast is directly related to the current and future energy problems facing this country. We are all too aware of the scope of the problem. Since 1972, a barrel of Arabian crude has gone from $3.00 to $30.00. Imports of oil have caused a severe trade imbalance of approximately $30 billion per year, which in turn contributes to an unacceptable level of inflation. The price of gasoline in downstate Illinois has increased from 72 cents per gallon on January 1, 1979, to $1.21 in February, 1980. There is no reason to believe that this situation will improve.

While there are no simple solutions to the current energy situation, conservation is an essential component of our energy strategy. One of the most effective conservation approaches we can take is to reduce automobile usage. Private automobiles consume 53% of the oil used in transportation each year. Even a minor shift to more efficient modes would result in significant energy savings. However, motorists cannot be expected to abandon the flexibility of their cars unless they have an attractive alternative. Fast and frequent passenger train service on upgraded routes provides such an option. With well-planned investments, this country could have a series of corridor trains which could double the legal speed of automobiles, be much more comfortable than busses, be competitive time-wise with commercial aviation from downtown to downtown, and be energy efficient to the point of saving millions of gallons of fuel annually.

There are many emerging rail corridors in the United States which merit development--if not to the level of 120 mph Metroliner speeds, then at least to the point where fast and frequent service can be tailored to divert significant numbers of intercity automobile trips to the train. Five routes in the Midwest have been identified as emerging corridors. All terminate in Chicago. Illinois supports the upgrading of these five corridors because each of them serves areas with large populations and vigorous business activity; each has favorable route length and each exhibits a growing demand for improved rail passenger service.

However, the corridor connecting Chicago with St. Louis is of particular interest to Illinois. The Illinois Department of Transportation believes that the Chicago-St. Louis corridor warrants priority funding since improvements on this line would simultaneously benefit cities on other routes whose trains currently use all or part of the Chicago-St. Louis route. For example, upgrading speeds in this corridor would also benefit trains from Peoria, Kansas City, Dallas, Houston, and Los Angeles.

The Chicago-St. Louis route has many assets which are needed to support a high level of rail passenger service, such as a large and growing population, significant traffic generators, ideal length, and high intercity traffic levels, much of which can be diverted to rail. The population of this route is nearly 8 million and is expected to increase to more than 9 million, a 14% growth by the year 2000. The cities on this 282-mile route include Joliet, Bloomington-Normal, Springfield, St. Louis, Chicago and several smaller cities. Chicago and St. Louis are the third and tenth largest urban areas in the nation, respectively, and Springfield, the State Capital, generates a very substantial volume of government and business traffic. In addition, two universities on this line, Illinois State University at Bloomington-Normal, and Southern Illinois University at Edwardsville, near the Alton Station, contribute many Amtrak passengers. For example, 46% of Illinois State University's 20,114 students live in the Chicago area. An additional 23% comes from cities directly served by trains on this corridor. These students frequently use Amtrak trains. Including only the largest colleges in Chicago, there are 170,000 university students enrolled in colleges on the Chicago-St. Louis line.

The current level of rail ridership on the Chicago-St. Louis corridor is nearly 350,000 passengers per year. Five of the nine stations on this route are in the top 15% of all Amtrak stations nationwide in terms of trips generated. Commercial aviation activity in this corridor is very high, with 700,000 passengers making trips between points on this route in 1978. While 531,000 of these passenger trips were between Chicago and St. Louis, the remainder were between intermediate points. This traffic volume will be increasingly subject to diversion to Amtrak (1) as short-haul air fares are priced beyond the means of the average traveler; (2) as air service frequency declinesin smaller markets; and (3) as rail corridor upgrading improves the service that passenger trains can provide.

However, it is the automobile market which holds the greatest promise for diverting intercity travelers.. According to an Illinois Department of Transportation survey, there are approximately 12,500 person trips daily between Chicago and the other cities on this corridor. A 10% diversion of these auto trips would result in fuel savings approaching 2.5 million gallons of gasoline annually and a rail ridership increase of 450,000.

Clearly, the level of rail ridership in the Chicago-St. Louis corridor is already high, and the potential for expanding that ridership is even greater. Currently, the St. Louis to Chicago travel time is five hours and fifteen minutes. A reasonable combination of investments and improvements could provide a four-hour St. Louis to Chicago travel time, which is competitive with the approximate 3 hour, 15 minute downtown to downtown travel time by air. While the costs may be high, unlike many other transportation improvements which must be completed entirely before a stream of benefits can be realized, corridor upgradings can be staged incrementally to achieve immediate service results in a cost-effective manner. Further, the staging of the improvements should be triggered by increases in ridership.

There are some ancillary benefits to a project of this nature which should not be ignored. Many primary and secondary jobs would be created through this effort. Passenger safety would vastly increase. Congestion on highways and at major airports in Chicago and St. Louis would decline. The project would be sound environmentally, and it would contribute to the revitalization of downtown business districts along the route as the stations once again become significant traffic generators. When the potential shift of ridership is considered along with the primary and secondary benefits of this project, investment in selected rail corridors becomes even more attractive.

A second area of investment which has special advantages is the Chicago rail hub. Rail lines originating at Chicago Union Station radiate to all points on the Amtrak system. Approximately fifty trains per day travel through the Chicago hub area. These trains are subject to excessive delays because of poor track and heavy congestion in the Chicago hub. Therefore, improvements in the Chicago hub area would benefit virtually every Amtrak train in the Midwest and would provide a unique opportunity to reduce travel times on many corridors.

In summary, Illinois strongly endorses the concept of emerging corridors. The upgrading of vital rail corridors not only will contribute to lessening the severity of the energy crisis, but will also represent a positive step toward integrated and equitable regional transportation systems. The Illinois experience has been that rail passenger ridership levels increase with each incremental improvement. People will use the trains in large numbers if they are assured of good, reliable service. We call on Congress to show the same vision and foresight as was demonstrated in 1964 in authorizing the Northeast Corridor Project. Funding emerging corridors will be a sound investment in effective, energy-efficient public transportation for the 1980's.

Mr. **Florio**. Thank you very much.

STATEMENT OF WESTON E. VIVIAN, COMMISSIONER, MICHIGAN STATE TRANSPORTATION COMMISSION

Mr. **Vivian**. Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to testify before you today on an issue that offers an important opportunity to more fully define and develop the role of intercity rail passenger service as a key ingredient of our Nation's public transportation system.

The subject of developing improved rail passenger service among major population corridors represents an issue of great importance to the State of Michigan, as we have long been committed to the development of such services. The Michigan State Transportation Commission has established a leadership position among States in the creation of a balanced, multimodal public transportation network serving all parts of the State. In addition to a strong program of rail passenger development, programs are currently underway to improve and expand metropolitan transit services, as well as a statewide dial-a-ride system, pioneered by Michigan to provide convenient and meaningful public transportation in rural areas.

We are also at work to more fully develop our intercity bus services by assisting private carriers in acquisition of modern equipment, development of convenient terminals, improvements of service marketing and expansion of operational routes and frequencies. Programs are also underway to strengthen commuter air services and modernize our unique Great Lakes passenger ferry services. Not only are we working to improve individual modes of public transportation, we have developed a most aggressive program devoted to properly blending the various modes together to create a growing intermodal network of connecting and complementary passenger services.

By carefully defining the most positive characteristics of each mode and then properly coordinating the development of these varying types of service, we are developing a statewide network of interrelated operations that will provide Michigan with a highly attractive, accessible and efficient system of public transportation services. Because of our direct experience in the development, implementation and administration of such a wide-ranging public transportation system, I feel that we can offer valuable input into the important decisions that must be addressed in this issue.

For the record, I am accompanied by my colleagues: Mr. Scott Hercik, manager of Rail Passenger Operations, Michigan Department of Transportation; and Mr. Kevin McKinney, project coordinator for Rail Passenger Corridor Development, Michigan Department of Transportation. Both of these gentlemen have strong backgrounds in railway passenger development, as well as experience in intermodal, rail freight, intercity bus, and air service development. I trust that together we can accurately address any questions that you may have regarding Michigan's concern over the issue of emerging corridors or regarding the efforts underway in Michigan to improve and expand our public transportation system.

We, in Michigan, have long been committed to the development of rail passenger service. We have exhibited this interest and commitment by developing one of the most aggressive State rail passenger programs in the Nation. To assist Amtrak in improving and expanding rail passenger service, Michigan is actively involved in a very comprehensive effort which addresses every area of rail service development.

From an operational standpoint, Michigan provides operating support to Amtrak for State-supported trains linking Port Huron, Flint, Lansing, Kalamazoo, and Chicago and service linking Jackson, Ann Arbor, and Dearborn with Detroit. In addition, we have begun work to implement new State-supported Amtrak service to the Grand Rapids/Muskegon area, Michigan's second largest population center. Under our current plans, these new trains will link Grand Rapids directly to the Detroit-Chicago corridor over a 55-mile northward extension of the corridor between Kalamazoo and Grand Rapids.

Operational support represents only one aspect of our involvement in rail passenger service, however. Michigan is actively involved in providing capital funds with Amtrak to upgrade track and train signaling systems. Through such joint programs, new centralized train control signaling has been put in place in Lansing and Flint allowing for expedited movement of the State-supported Blue Water Limited passenger train through areas of heavy freight switching. Various track improvement programs have also been completed along the route of the Blue Water Limited and Michigan Executive, allowing for improvement to passenger journey times.

A major cooperative effort with Amtrak, totaling approximately $12 million, is nearing completion over an 83-mile segment of the Detroit-Chicago corridor. This specific program included major right-of-way rehabilitation and improvements to train signals, allowing for maximum sustained operating speeds of 79 miles per hour for eight daily Amtrak trains traveling over this route segment.

In addition to these basic areas of rail passenger development, Michigan has created major passenger terminal improvement programs that in many cases unite all modes of public transportation into an intermodal transportation center. We also assign special passenger service aides to each intercity passenger train operating in Michigan. Under the direction of the Michigan Department of Transportation, these young men and women not only provide a unique personalized passenger assistance function, they also serve as our eyes and ears in monitoring all aspects of each train's service on a day-to-day basis.

We also produce and administer our own advertising and promotional programs for State-supported rail services, as well as for all other modes of public transportation serving Michigan. Because of our familiarity with Michigan's transportation needs, we have found these efforts to be most successful in improving public awareness and increasing utilization of these services.

As Michigan's contribution to the continued development of rail passenger service, the State has provided nearly $25 million since 1974 in operating assistance, capital improvements and program support efforts. Public reaction to continuing improvements has been strong, with Detroit-Chicago ridership increasing from approximately 160,000 in 1973 to approximately 500,000 in 1979. As has been the case in other key corridors in Amtrak's system.

Detroit-Chicago patrons have continually exhibited their receptiveness to improvements to corridor rail service.

The reason for my description of Michigan's rail program is to hopefully impress upon you not only our concern for and interest in rail passenger service, but also to indicate to you that we in Michigan have been carefully attempting to define how such services can be most efficiently and effectively developed. In our efforts we have been and will continue to work closely with Amtrak, participating railroads, other States and foreign railway passenger systems. We have been especially fortunate in having the opportunity to visit the British Railway System, as well as hosting several of their officials in Michigan.

As our own program has grown and matured, it has become increasingly evident that intercity rail passenger service can, indeed, play an important role in a well balanced network of public transportation services. As with any mode of transportation, rail passenger service offers many positive characteristics, while being subject to restraints that necessitate the very clear defining of its role in the overall system. Because of the major costs involved in developing and operating attractive and efficient rail systems, the primary potential for such systems exist along routes ranging in length from approximately 150 miles to approximately 400 miles, which connect major population centers.

This definition of the potential for rail passenger development has been tested and proven in literally every advanced railway network in the world. Despite the fact that this role definition has long been understood, since Amtrak was first created in 1971, not one major intercity rail corridor, outside of the Northeast, has seriously been considered by Congress or the administration for such upgrading. Although Amtrak has generally improved the overall quality of rail passenger service throughout the United States, Amtrak's nationwide system in 1980 has changed very little since its creation nearly a decade ago. As was the case in 1971 and as remains the case in 1980, Amtrak represents a system that is no more than a foundation to build upon. With the exception of the Northeast corridor, Amtrak has not been given the tools necessary to properly develop its own potential.

Amtrak's failure to develop this potential can only be blamed on the lack of national leadership and commitment so necessary to build a successful railway passenger system. Despite the aggressive efforts of individual States such as Michigan, the Nation will continue to do without a modern rail passenger system until Congress and the administration exhibit this level of leadership and commitment.

In consideration of this issue, it is important to realize that we are not addressing a new and untested concept. The technology allowing for the proposed improvements has existed and been utilized for years. In addition, most of the key potential corridors currently have existing rail operations serving the routes. This allows us to improve existing resources which are already in place, as opposed to building new systems from the ground up.

Also, established travel patterns already exist along these individual corridors which will allow us to clearly define the existing role that each transportation mode currently plays. From this, we can then better develop improved rail service in a way to attract those specific travel submarkets that would be most apt to utilize the improved rail systems. Once these specific submarkets have been identified, it is important to mold the improved rail services in a way to serve the exacting needs of the primary submarkets. As represented by the critical nature of the marketing requirements, the issue of emerging corridors demands that we clearly identify the many related factors that directly impact on this issue.

In addition to required capital expenditures for right-of-way improvements, emphasis must be placed on improving stations and other support facilities. New efforts must be made to streamline manpower requirements allowing for improvements in employee productivity. Funding resources must be established to secure adequate passenger train equipment fleets and to permit significant increases in corridor service frequencies. It is also necessary to address the growing problems of how to integrate high speed and high frequency passenger service with slower moving rail freight traffic. With this concern also is the necessity to encourage the support and positive participation of individual railroads. In addition to their support, a high level of service performance and reliability must be demanded from both Amtrak and participating railway companies.

With a primary emphasis on speed and frequency, and in addition to consideration of the factors that I have just mentioned, more specific areas must also be addressed. These include development of sophisticated fare policies, advertising/promotion efforts, actual train car design, ticketing and reservation procedures, station and onboard catering services, integration with local transit and connecting intercity modes, and establishment of simplified spread of service times that can be adhered to without frequent adjustments.

To effectively compete with the private automobile and other competing modes, rail service must operate at fast enough speeds and at high enough frequencies to be at least comparable to the total travel times required between the original point of departure and the final destination location. Thus, the potential passenger must have easy and quick access to the rail station from both his point of origin and his destination location.

In addition, service frequency must be at a level to fit the very specific scheduling needs of a large population. The patron must not be required to build his trip around restrictions caused by infrequent departures and arrivals. Also, the patron must have the capability of going to the rail station at his/her convenience without the need to wait long periods at the station due-to infrequent service availability. When total travel time is lowered to allow for this level of service, rail passenger service can capture a major section of the corridor travel market.

While we have not been given the opportunity to review the findings of the corridor analysis prepared for the subcommittee by the Federal Railroad Administration and Amtrak, we are convinced that their findings will strongly indicate the potential for developing several major corridors, including the Detroit-Chicago route. In a similar study completed in 1977, Amtrak found that of 18 corridors studied, Detroit-Chicago warranted immediate consideration for short-term speed improvements and a doubling of frequency. Amtrak also indicated the strong potential of the corridor for upgrading of sustained speeds to not only 79 miles per hour but also to 110 miles per hour.

Based on our familiarity with the characteristics of the Detroit-Chicago corridor and with past studies, there can be very little question that this route is one of the key travel corridors in the Nation. Not only is this evidenced by online population and existing traffic flow statistics, the market has exhibited its interest in and support for improvements to rail service along this route. In 1975, when Amtrak increased roundtrip corridor frequency from two to three daily trips, ridership immediately increased by 50 percent. We have continually witnessed the high degree of interest and enthusiasm exhibited by the traveling public along this corridor.

While we are confident of the potential offered by the Detroit-Chicago corridor, it is important that the subcommittee fully understand the full potential of this route and the significant benefits that can be realized through improvements to this corridor. In preparing the corridor analysis for the subcommittee, the Federal Railroad Administration and Amtrak viewed the Detroit-Chicago corridor as a vacuum. By taking this approach, consideration was not given to several important factors.

First, through Michigan's rail passenger development program, State-supported feeder routes are being developed to tie into the primary Detroit-Chicago base corridor. These services include the Blue Water Limited route which extends corridor accessibility to Lansing, Flint, and Port Huron, and planned new service that will tie Grand Rapids to the base corridor at Kalamazoo. These feeder routes effectively expand corridor service availability to off-line populations of approximately 1.5 million. Thus, major improvements to the Detroit-Chicago corridor would also result in improvements for rail operations serving Grand Rapids, Lansing, and Flint.

In addition, the Michigan Department of Transportation is now working with Amtrak, via Rail Canada, and the New York State Department of Transportation in a long-term effort to connect and integrate the Detroit-Chicago corridor, the Detroit/Windsor-Toronto-Montreal-Quebec City corridor and the Niagara Falls/Buffalo-Albany-New York City Empire corridor. This major new regional rail network will be made up of several integrated subcorridors and will serve an online population in excess of 30 million. As is apparent, factors such as these have a profound impact on any evaluation of corridor potential.

In summary, Michigan feels strongly that Congress has before it an important opportunity to significantly improve the role played by rail passenger service in our Nation's overall transportation system. To properly administer such a program, Michigan feels that a special emerging corridor division should be established under the sponsorship of Amtrak. Included in this division must be the capability to receive input from and coordinate activities with both the U.S. Department of Transportation and the individual States.

In addition, Michigan feels that Congress must prepare legislation that will facilitate the cooperation of private railroads, while fully addressing legitimate concerns on their part, Michigan will remain committed to the continued development of rail passenger service regardless of the outcome of this issue. It has long been evident, however, that despite Michigan's ongoing commitment and the commitments exhibited by other States, the full potential of rail passenger service in this Nation cannot be realized without the strong leadership and support of Congress and the administration.

The subject of emerging corridors involves a transportation issue of national importance than demands national attention. As we have developed our Interstate Highway System and our domestic air network, Congress and the administration have exhibited this important leadership role. This same national commitment, coupled with the strong cooperation and participation of individual States, is mandatory if we are to achieve our goals in this area. Michigan stands ready to work closely with you on this important new opportunity.

Thank you.

STATEMENT OF MARK J. RANDALL, EXECUTIVE DIRECTOR, THE OHIO RAIL TRANSPORTATION AUTHORITY

Mr. RANDALL. Chairman Florio and members of the House Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce, my name is Mark Randall and I am the executive director of the Ohio Rail Transportation Authority (ORTA) in Columbus, Ohio.

Ohio welcomes the opportunity to appear before the subcommittee today to address the issue of Federal financial support of regional rail corridors, an issue we think is of vital concern for the economic health and well-being of Ohio and the entire Midwest.

The USDOT report on regional corridors as mandated by this subcommittee has not yet been received by ORTA. ORTA will submit a written response to the particulars in the report as soon as our review is complete. Today, because my time is limited and in light of the fact that ORTA has not yet reviewed the report, I will concentrate on three basic areas in my testimony.

One, the importance of a Federal commitment to develop regional rail corridors outside the Northeast corridor,

Two, Ohio's experience to date in rail passenger planning for Midwest corridors and the consideration of dedicated right-of-way,

Three, the importance of giving to the States involved primary responsibility for management and control of the development of the regional corridors.

ORTA was created by the Ohio General Assembly in 1975 with direction to develop a high speed rail passenger system which the Ohio General Assembly deemed vital to the transportation, energy and economic needs of Ohio and the Midwest. Ohio supports this committee's interest and commitment to regional rail corridor development. We believe that the difficulties that Amtrak has experienced nationally in contrast with the success of the Northeast corridor as exhibited by increasing ridership support the need for additional regional corridor development. Regional corridors serve cities which are interrelated geographically, economically, and sociologically. They provide frequent, on time, and reliable service for these regions. The present Amtrak system outside the Northeast corridor does not provide such service.

It was because Amtrak did not serve the transportation needs of the people of Ohio that the General Assembly directed ORTA to develop its own rail passenger system plan. Primarily Amtrak did not move Ohioans where they wanted to go, that is between Ohio's major urban areas. In addition, even today, one train per day in each direction along each of Ohio's Amtrak routes plus slow speeds, inconvenient schedules, and an on time record based on a schedule which itself includes many built in time lags, are reasons why Amtrak service is not a realistic transportation alternative in Ohio and the Midwest.

With energy availability and costs becoming increasingly critical issues, intercity transportation concerns have become vitally important. One of the bases for a strong growth oriented economy in Ohio and the Midwest is an integrated transportation system. Air travel for the Midwest is available and cost effective for trips over 300 miles. Auto travel for trips under 50 miles provides citizens with convenient door-to-door transportation. Historically, auto travel has been the mode of choice for trips between 50 and 300 miles as well but increased travel times due to decreased speed limits, rising fuel costs, highway congestion, safety factors, and the whole energy crisis now have increased the public need and demand for an alternative transportation mode.

The Ohio studies to date show that regional rail corridor service is the ideal mode for trips between 50 and 300 miles. It is the most energy efficient of all transportation modes and if the system is convenient, reliable, and frequent, it will be used by travelers. For all of these reasons, institution of regional rail corridors outside the Northeast corridor is critical today.

To attract the ridership necessary to make rail passenger service energy and cost efficient, the service must be fast, frequent, and on time. Ohio legislators and ORTA Board and staff members have made trips to Japan, Germany, France, and Great Britain to view their rail systems. Trains in these countries are on time to the minute in contrast to U.S. trains which are considered on time with grace periods from 5 to 30 minutes depending on total trip mileage.

With a regional rail corridor system, the United States can provide the same type of rail passenger service that exists in other major industrialized countries in the world. With a system that provides speed, frequency, and reliability, travelers would choose this mode.

We believe Ohio's experience to date in rail passenger planning for Ohio and the Midwest is significant and offers insights that are valuable in your deliberations.

Since 1975, Ohio's General Assembly has been committed to the development of high speed rail passenger service for Ohioans. Over $3 million of State funds have been invested in plans to develop such a system. This financial commitment is based on Ohio's belief that the development of an advanced rail transportation system can provide one solution to mounting energy problems as well as an economic stimulus to the entire region.

Phase I of our project, a feasibility study, was released in January 1978. Phase II will be released this spring and is an indepth analysis of all issues relevant to high speed rail passenger service in this region. It will include recommendations for a corridor system for Ohio with interstate connections to major urban areas in other Midwest States.

Since the release of Phase I in 1978, several significant developments have occurred.

One. A change in public attitude toward the necessity for such a project has occurred. Seven public briefing sessions and 17 public meetings were held throughout Ohio to provide information and gain public input. Over the past 2 years, public interest and support of Ohio's project has continued to increase. For instance, recently in 2,200 responses to ORTA's statewide commercial ads, 85 percent registered positive support for the development of a corridor system while only 15 percent were negative. The events in the Middle East and the reality of prices at the gas pump have convinced citizens that the energy crisis is real and a transportation alternative must be provided.

Two. Interest in this project has been generated on a regional level. Legislation has passed in Ohio and Michigan and is in the legislative process in Pennsylvania, Illinois, and West Virginia. This legislation brings together the States of this region in an Interstate Rail Compact. The first meeting of the compact States was held on February 1, 1980, and strong statements of interest in a cooperative effort on this project were made by legislators and representatives attending. The need for the development of a regional rail passenger system in the Midwest was agreed to with emphasis on connecting the Midwest corridor with the Northeast corridor.

Three. Certain rail service characteristics are essential to the system being planned for Ohio and the Midwest. Existing high speed systems in Great Britain, Japan, Germany, and France exhibit all these characteristics.

a. On time performance is basic to the success of all overseas rail passenger systems.

b. Frequencies suited to the needs of the traveling public must be scheduled to make rail passenger service a realistic alternative for the traveler especially the business person on a time schedule.

c. High speed rail service is necessary in order to be competitive with the automobile, with speeds which provide an improved time schedule for the traveler.

d. Utilization of an electrified system is being very seriously considered for Ohio and the Midwest because such a system provides an energy alternative which does not rely on petroleum products.

Because of the inherent characteristics of U.S. rail freight operations, it has become increasingly difficult to interface rail freight and passenger movements while maintaining the above mentioned essential rail service characteristics. Consequently, Ohio is seriously considering dedicated rail passenger right-of-way as the only way to assure an on time and reliable service. Therefore, Ohio recommends that the committee consider dedicated passenger right-of-way in your deliberations on regional corridor development.

Finally, in terms of management, control, and coordination with the Federal Government, Ohio believes that the States involved in regional rail passenger corridors must have primary responsibility for the construction, operation and maintenance of regional rail corridors with a Federal agency coordinating the above activities among the various corridors. This places the responsibility for designing and operating a system to meet the unique transportation needs of each region squarely on the shoulders of the participating States. We believe that Federal support on at least an 80/20 level for the capital investment needed for the construction of advanced regional transportation system is a realistic formula with precedent from past transportation projects in which the Federal Government and the affected States were jointly involved.

Thank you, Chairman Florio and members of the subcommittee, for your kind consideration of my testimony.

Mr. **Florio**. Thank you very much.

Mr. Madigan.

Mr. **Madigan**. This $2.5 million, if Chicago-St. Louis were marginal as to whether or not it was to be included in the corridor system, might it be possible that the State would be willing to take care at the grade crossings being protected in order to get it included so that the Federal Government would not have to pay for those?

Mr. **Nadler**. High speed trains increase in either frequency or the speed automatically for any grade. I think that would come back almost automatically.

Mr. **Madigan**. How much money is in that fund right now?

Mr. **Nadler**. I believe obligations are running at almost current revenue levels so I think there is no more than about a $1 to $1.2 million balance at any given time. I have to check on it to be sure.

Mr. **Madigan**. When I was a candidate for the Illinois Legislature in 1966 there were two accidents on that right-of-way that involved people being killed. One was a truck driver in the district of which I was a candidate. I remember it very clearly. That was in 1966. This is 1980. That is 14 years. Those crossings still don't have the grade crossing protection up. It is the highest corridor speed in the State. Where has the $2.5 million a year gone?

Mr. **Nadler**. If I could correct you, it is not the highest speed corridor. We have the 90-mile-per-hour operating south of Champaign which has been the highest priority as far as that funding goes.

The funding has gone around the State based on a combination of two factors which is the rail side and the auto side right now. On the rail side both frequency and, as I said, speed are factors. The problem right now, there are approximately 10,000 grade crossings in the State. Now we have been playing a catch up game as far as the priorities go in the past so that right now coverage is still scattered around the State. The question is how much auto traffic is there also?

Over the past 2 or 3 years the accidents have been at the nonpublic crossings where we have had farm road crossings and you have a few trucks a day and it does not show up as a major exposure situation.

Mr. **Madigan**. Hearing all this conversation about all the things that the States are doing and should do, has the State recommended to the legislature that this funding be increased so that it can take care of some of these 10,000 grade crossings in the State?

Mr. **Nadler**. There was a proposal that involved increasing the grade crossing funding as part of the administration's proposal on the gas tax increase overall earlier last year. That proposal did not end up going to the general assembly in the way the administration has proposed it. There was an increase on the grade crossing side as part of the motor fuel tax increase.

Mr. **Madigan**. You might report back to the Director of Transportation that at least this Member of Congress is against the high speed grade crossings getting protected.

Mr. **Nadler**. That will be reported back, sir.

Mr. **Madigan**. Thank you.

Thank you, Mr. Chairman.

Mr. **Florio**. Gentlemen, I think it goes without saying that the emerging corridor program can be developed with the participation of the States. There may be some difference of opinion as to whether the States should be the lead agency in charge. I don't know that we can make the generalization that each has equal competence and therefore should be given the opportunity to be totally in charge.

My observation is that Amtrak has developed the expertise and perhaps should be the lead agency. Perhaps responsibilities should be able to be reorder under different circumstances when the state has comparable capability or superior capability. I do want to leave you with the message that it is our full expectation that the development of rail passenger corridors must include State participation, not only in terms of planning and management but, hopefully, in terms of funding as well.

We have made some major modifications in the 403(b) program. We are prepared to make further modifications if we are convinced that modifications serve the public interest. We look forward to working with your respective State transportation departments and to receive input from you as we develop this program.

Thank you for your cooperation.

The subcommittee stands adjourned.

[The following letters and statements were received for the record]

MISSION VIEJO COMPANY

G. H. "JEFF" LODDER
SENIOR VICE PRESIDENT
TECHNOLOGY

January 11, 1980

The Honorable James J. Florio, Chairman
Subcommittee on Transportation and Commerce
Room 3150, House Office Building, Annex 2
Third and "D" Street SW
Washington, D. C. 20515

Dear Congressman Florio:

Thank you for the opportunity to testify to the House of Representatives' Subcommittee on Transportation and Commerce. I would like to submit this letter and attachments into the written record for the January 14, 1980 Subcommittee hearing on the establishment of a Southwest Coast Corridor Service.

Mission Viejo Company is the developer of the 10,000 acre Mission Viejo planned community adjacent to the Atchison-Topeka and Santa Fe (AT & SF) Railroad in southeast Orange County, California. Mission Viejo is one of Southern California's earliest and most successful master planned communities, and it is currently the home of nearly 50,000 residents. Our community is expected to reach an ultimate population of approximately 90,000 residents by 1992.

Mission Viejo Company strongly supports Congressional action to establish a Southwest Coast Corridor Service as proposed in Congressman Van Deerlin's HR 5403. The creation of such a service offers a unique opportunity to utilize an existing rail line to provide improved intercity rail service in a highly populated area.

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The most immediate impact of providing intercity rail service improvements in Southern California will be a national benefit in reduced demand for imported oil, and a local benefit in improved air quality.

The energy savings as a result of improved service along the Southwest Coast Corridor can also be accomplished at a substantially lower cost to the taxpayers compared to many other federally funded new-construction mass transit projects. The eventual success of improvements to an existing rail service will depend heavily upon the cost and convenience of such a service to potential passengers. Rising gasoline prices will result in a commuter rail service which is highly competitive with the private automobile in terms of costs. The challenge for public and private parties involved in transportation improvements will be to make intercity rail service competitive with the private automobile in terms of convenience.

More convenient rail service in Southern California will require improved rail service access through the addition of new terminals to currently unserviced areas, and will depend on linking rail service with other modes of public transportation. I would like to call to your attention Mission Viejo Company's efforts in cooperation with the County of Orange to develop such a terminal.

The Mission Viejo Multi-Modal Terminal (see attached project summary) was first proposed several years ago as a means to provide the residents of Mission Viejo and other nearby communities within the Saddleback Valley with convenient access to rail service and other public transit alternatives. The Company has agreed to provide the site for the terminal (6.2 acres of highly desirable land, with an estimated value of $1.3 million) and preliminary engineering at no cost, if the County of Orange will obtain the additional funding for site improvements and the necessary government approvals. The County is currently seeking State funding for the terminal from a program to improve the interface of transportation modes SB 1879. Application has been made to the Orange County Transportation Commission for project inclusion in the Regional Transportation Improvement Program.

Congressional establishment of a Southwest Coast Corridor Service could expedite the development of the Mission Viejo Multi-Modal Terminal and other needed terminals to provide first-time access to rail transit for thousands of Southern Californians. We urge the Subcommittee to approve HR 5403 or similar legislation to establish such a service. We also hope the Subcommittee will recognize and support public-private cooperative efforts such as the Mission Viejo Multi-Modal Terminal when considering specific improvements.

Mission Viejo Company looks forward to continued participation in the State and local planning process for the Southwest Coast Corridor, and we welcome Congressional assistance in making improved rail passenger service in Southern California a reality. Thank you for your consideration. I will be happy to provide any additional information at your request.

Very truly yours,

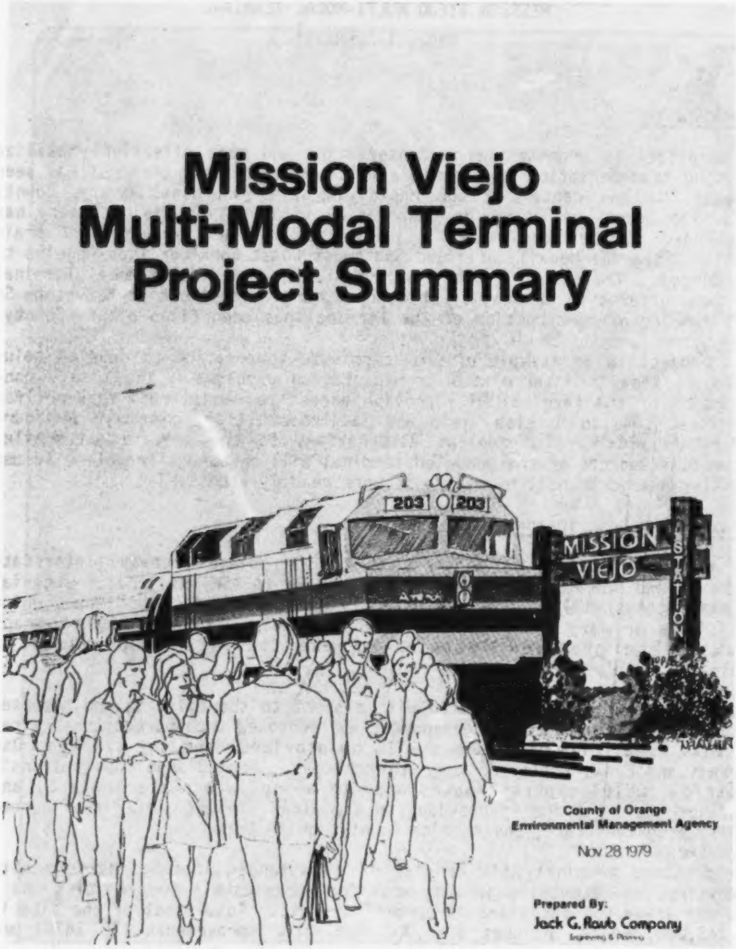
MISSION VIEJO COMPANY

G. H. "Jeff" Lodder
Senior Vice President

GHL:st

attachment

xc: Honorable Robert T. Matsui, Congressman
Honorable Barbara A. Mikulski, Congresswoman
Honorable John M. Murphy, Congressman
Honorable James David Santini, Congressman
Honorable Gary A. Lee, Congressman
Honorable Edward Madigan, Congressman
Honorable Lionel Van Deerlin, Congressman
Honorable Jerry M. Patterson, Congressman
Honorable James C. Corman, Congressman



Mission Viejo Multi-Modal Terminal Project Summary

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MISSION
VIEJO
STATION

County of Orange
Environmental Management Agency

Nov 28 1979

Prepared By:
Jack G. Raub Company
Engineering & Planning

MISSION VIEJO MULTI-MODAL TERMINAL
PROJECT SUMMARY[1]

Introduction

In an effort to promote energy conservation and more effectively utilize existing transportation resources, a multi-modal transit terminal has been proposed in the center of the rapidly growing southeast Orange County area. The County of Orange in cooperation with Mission Viejo Company has encouraged the development of a joint use transfer facility and train station along the heavily utilized Southwest Coast Corridor (Los Angeles to San Diego). The 6.2 acre site for the Mission Viejo Multi-Modal Terminal has been offered to the County at no cost, and an application for state SB 1879 funding of construction of the terminal has been filed by the County.

This project is an example of public/private cooperation to develop solutions to today's interrelated transportation problems. The timely construction of the terminal will provide access to needed rail services for the first time to Mission Viejo and Saddleback Valley commuters who currently do not have convenient alternatives to the private automobile. Intermodal aspects of the proposed terminal will encourage travelers to use existing public transit by making it more readily accessible.

Location and Description

The proposed facility is adjacent to the San Diego Freeway (Interstate Route 5) and the Atcheson-Topeka and Santa Fe (AT&SF) Railroad. Arterial highway access will be provided directly to the site by Cabot Road, which will be a primary (four-lane divided) roadway. An aerial photograph showing the proposed location of the facility is provided in Exhibit 1.

The site is conveniently located with respect to the existing and proposed residential and commercial development and proposed transportation services in this area. Freeway access will be provided from the existing Oso Parkway and Crown Valley Parkway interchanges. Four Orange County Transit District (OCTD) express routes operate along Interstate Route 5, and passenger rail service is provided on the AT&SF line as a result of agreements among the State, Los Angeles County, and Amtrak.

The proposed terminal will consist of a passenger loading platform with amenities, an automobile parking area for aproximately 400 vehicles and a one-way drive for buses and "drop off" traffic. Total cost of the site is $2,245,000, which includes $953,000 for site improvements (SB 1879) and $1,292,000 to cover the estimated value of the required land (Mission Viejo Company).

The primary function of the terminal is to provide an interface point for local (arterial fixed routes and dial-a-ride) and regional (express bus and commuter rail) transportation services. It will also provide park-and-ride and kiss-and-ride access to the express bus and rail services. Thus, trips produced by local residents and trips attracted to local business and commercial uses can be handled by one facility.

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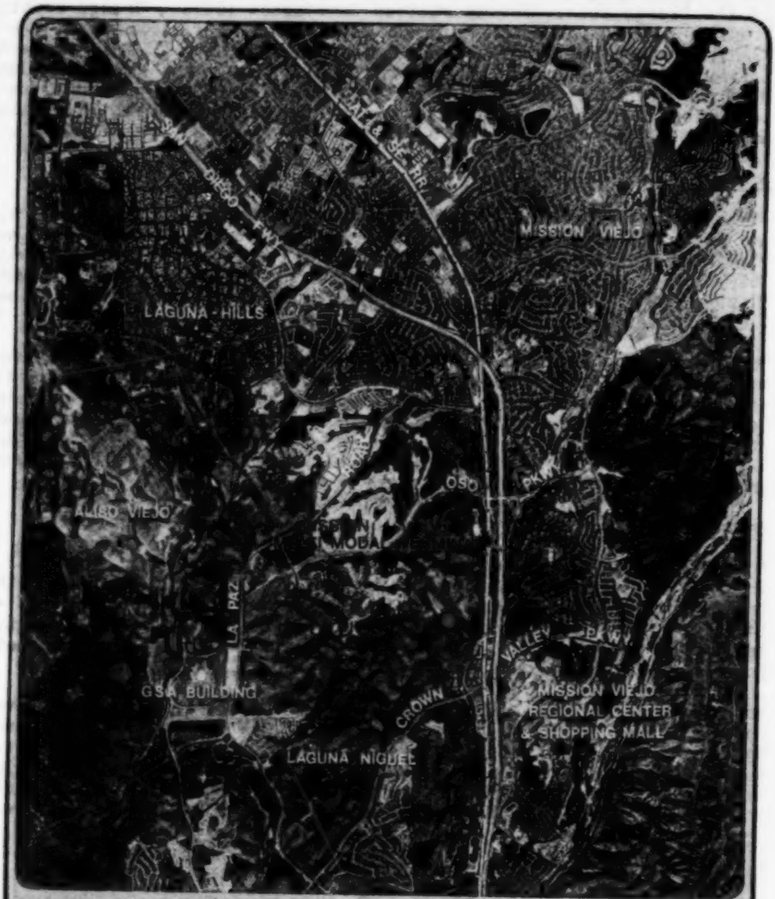
[1] A detailed project report is available uoon request.


SAN DIEGO FWY
A.T.&S.F. RR
MISSION VIEJO
LAGUNA HILLS
OSO PKWY
ALISO VIEJO
MODAL
LA PAZ
VALLEY PKWY
GSA BUILDING
CROWN
MISSION VIEJO REGIONAL CENTER & SHOPPING MALL
LAGUNA NIGUEL

AERIAL PHOTOGRAPH
MISSION VIEJO MULTI-MODAL TERMINAL

EXHIBIT 1

The proposed project is consistent with ongoing transportation programs of the Orange County Transportation Commission (OCTC), Orange County Transit District (OCTD), California Department of Transportation (CALTRANS), Orange County Environmental Management Agency (EMA), Southern California Association of Governments (SCAG) and other transportation planning agencies. The multi-modal terminal will reinforce current transportation policies to encourage use of public transportation within Southern California.

Service Area

The service area of the terminal covers approximately 58 square miles, and has a 1979 population of over 130,000. Based upon the County Land Use Plan, the terminal will ultimately serve a population of approximately 350,000. Existing and proposed communities in the service area include Mission Viejo, Laguna Hills, Laguna Niguel, El Toro, Lake Forest, Aliso Viejo, and Leisure World.

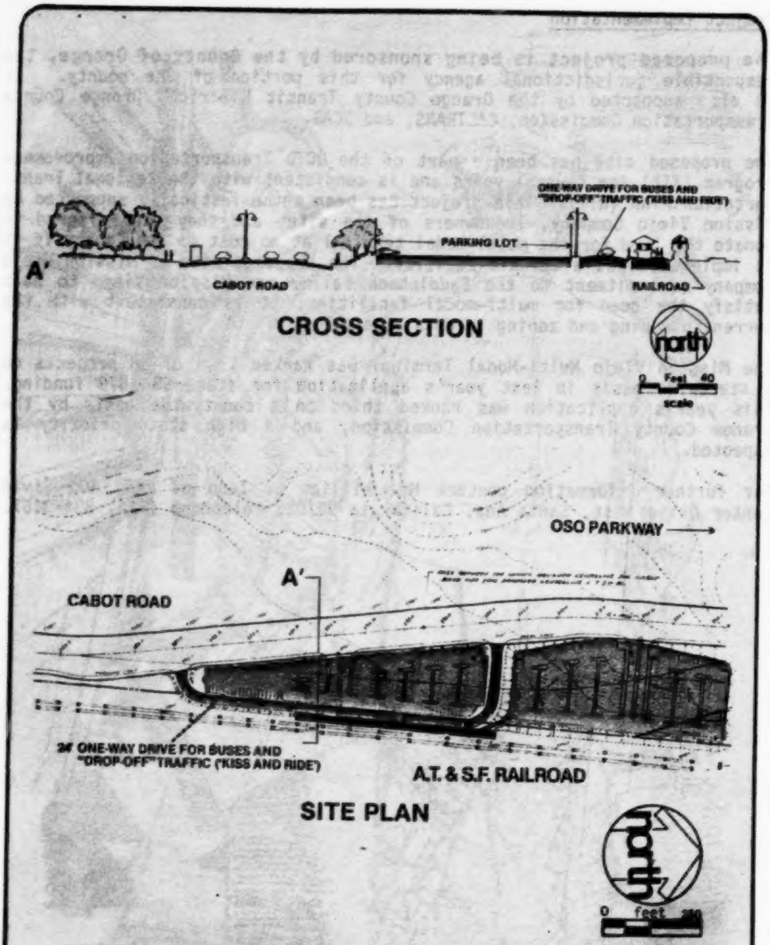
Most residential developments in the Saddleback Valley are within a ten-minute drive of the terminal. Nearby business and regional commercial uses include the existing GSA building and proposed Narland Business Center on La Paz Road southwest of the site, the Mission Viejo Mall and office complex southeast of the site on Crown Valley Parkway, and the Laguna Niguel office and commercial developments along Camino Capistrano and Crown Valley Parkway directly south of the site.

Proposed Site Plan

A preliminary design plan for the facility is presented in Exhibit 2. The project site provides flexibility for phasing in conjunction with growth in services and demand from the surrounding communities. If additional parking capacity is needed, space is available on the property adjacent to the north parking lot within the Edison easement between Cabot Road and the rail line.

An automobile parking area (approximately 400 spaces), a one-way drive for buses and "drop-off" traffic, and a rail loading platform are shown on Exhibit 2. Amenities such as restrooms, food and beverage machines, public telephones, bicycle racks, and waiting benches with shelters could be provided on the rail loading platform. A cross section of the terminal area is also shown on Exhibit 2. Costs for the facility are shown below.

ITEM	COST	SOURCE OF FUNDS
Land	$1,292,000	Mission Viejo Company
Site Improvements	953,000	Senate Bill 1879
TOTAL	$2,245,000	


ONE WAY DRIVE FOR BUSES AND "DROP-OFF" TRAFFIC (KISS AND RIDE)
PARKING LOT
A'
CABOT ROAD
RAILROAD
CROSS SECTION
north
0 Feet 40
scale
OSO PARKWAY
A'
CABOT ROAD
24' ONE-WAY DRIVE FOR BUSES AND "DROP-OFF" TRAFFIC (KISS AND RIDE)
A.T. & S.F. RAILROAD
SITE PLAN
north
0 feet
scale

MISSION VIEJO MULTI-MODAL TERMINAL

EXHIBIT 2

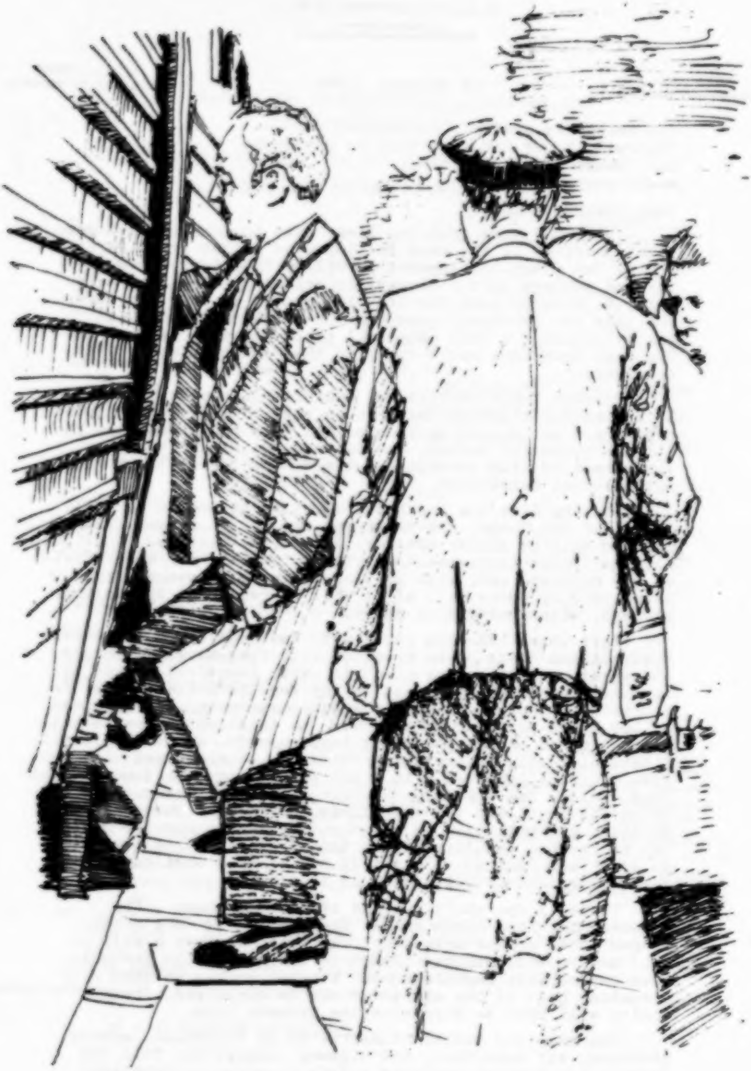
Project Implementation

The proposed project is being sponsored by the County of Orange, the responsible jurisdictional agency for this portion of the county. It is also supported by the Orange County Transit District, Orange County Transportation Commission, CALTRANS, and SCAG.

The proposed site has been a part of the OCTD Transportation Improvement Program (TIP) for several years and is consistent with the Regional Transportation Plan (RTP). This project has been enthusiastically supported by Mission Viejo Company, landowners of the site, and they have offered to donate the land for the multi-modal terminal at no cost to the County if it is implemented as a transit facility. The proposed site is Mission Viejo Company's commitment to the Saddleback Valley and Mission Viejo to help satisfy the need for multi-modal facilities; it is consistent with the current planning and zoning in this area.

The Mission Viejo Multi-Modal Terminal was ranked 19th of 38 projects on a statewide basis in last year's application for state SB 1879 funding. This year's application was ranked third on a countywide basis by the Orange County Transportation Commission, and a high state priority is expected.

For further information contact Mr. William L. Zaun of EMA, 400 Civic Center Drive West, Santa Ana, California 92702; telephone (714) 834-3467.



E. L. TENNYSON, P.E.
[illegible] MAPLE ROAD
MIDDLETOWN, PENNA. [illegible]

REGISTERED
PROFESSIONAL ENGINEER

PHONE
(717) [illegible]

14 January 1980

The Honorable James J. Florio, MC
Chairman, House Sub-committee on Transport.
U.S. House Office Building,
Washington, D.C. 20515

Dear Chairman Florio:

I returned east from San Diego just in time to miss your vital hearings on the need for improved Amtrak train service in the San Diego-Los Angeles corridor. This is such an important subject that I request my evidence, submitted herewith, be entered into the official record of your hearings, and that you seriously consider the vital need and sound justification for this essential transportation improvement. The same technique would apply to the Camden-Atlantic City corridor.

Present train service has comfortable new coaches, and is attracting a marked increase in public useage, with 3,000 passengers per day on many days, but this isn't half the realistic potential market. The present trains are too slow, the schedules miss certain key times, and the stations are not all that convenient.

Nothing like the Northeast Corridor is needed or justified for San Diego. The taxpayers can not be loaded with another billion dollar project. A good, attractive, functional, profitable improvement can be had quickly for an estimated $99 million, net, with part of it to be recovered from fares paid by users. All of it will be recovered by consumer savings, with a margin to spare.

This short 127-mile route with numerous stops and curve restrictions needs to be operated with fast-accelerating, economical, energy-saving electric cars, identical to the new cars Amtrak has now promised to buy for the Philadelphia to Harrisburg service. A larger order saves money. A top speed of 100 miles-per-hour is adequate, no troublesome new technology is needed except for minor improvements, and with electrification, costly track improvements can be minimized. Locomotives can be eliminated with great savings in both time and dollars. Amtrak can transfer the five new diesel locomotives and 27 new Amfleet cars to other lines, saving the taxpayers $22 million. Air pollution in the troublesome Los Angeles basin can be reduced by attracting motorists to electric trains. I am sure your records will verify how quickly Angelenos opt for better train service when it is offered.

There is one short section of the San Diego - Los Angeles rail line north of San Diego which is very crooked and slow. A four-mile short cut here can save a mile or two, and several minutes. Electric trains without locomotives can rapidly negotiate much steeper grades so that construction cost of the short cut can be minimized. Freight trains will have to stay with the present line.

The American public is aggrieved by inflation, energy problems, air pollution, and highway congestion. This San Diego - Los Angeles railroad offers Congress an excellent opportunity to direct Amtrak to provide a vast improvement at a cost of less than it will save. Details are attached. If you or your staff have any questions, I will be pleased to answer them. I have had 35-years experience in this business, and I am convinced I have offered you sound and objective suggestions.

Respectfully submitted,

E. L. TENNYSON, PE

cc: 3
Attach -

E. L. TENNYSON, P.E.
600 MAPLE ROAD
MIDDLETOWN, PENNA. 17057

REGISTERED
PROFESSIONAL ENGINEER

PHONE
(717) 944-1010

Before the Congressional Committee On
SURFACE TRANSPORTATION

THE NEED AND JUSTIFICATION FOR VASTLY IMPROVED LOS ANGELES - SAN DIEGO AMTRAK PASSENGER TRAINS

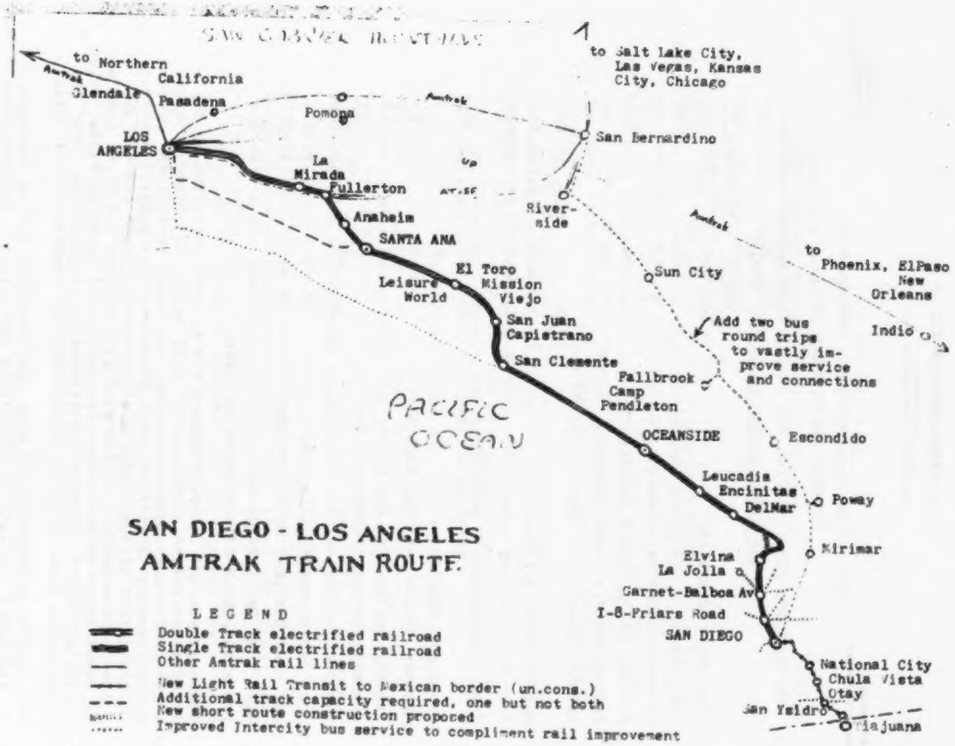
	Present	Proposed
Corridor Population	4,000,000	4,500,000
Los Angeles - San Diego rail miles	127	126
LA - San Diego rail travel time	2: 35*	2: 05'
Average daily Amtrak passengers	3,000	6,350ø
Amtrak vehicle fleet required, units	32	31
Amtrak revenue per year (proposed est.)	$5,000,000	$16,297,050
Amtrak costs per year "	$ 10,000,000	$12,659,050
Amtrak profit per year	$-5,000,000cr	$3,638,000
Fuel consumption by proposed passengers* (gal.)	5,860,170	1,657,365*
Passenger stations	8	15
Weekday trains into Los Angeles	6	12
Weekday trains into San Diego	6	12
Weekday through trains each way	6	10
Passenger-miles served, annually	60,000,000	201,000,000
Cost per passenger-mile, rail	16.7¢	6.3¢
Air cost per pass'gr mi. w limo.	12.2¢	12.2¢
Auto cost per pass'gr mile	12.9¢	12.9¢
Probable number of accidents per year	62	4

Bus comparison - Intercity buses are as fuel efficient as the proposed electric trains, but they cannot use hydro, nuclear or coal energy sources. Neither can buses provide the necessary service to attract large numbers of the public. Non-stop Interstate highway buses are limited to 55 mph and can not serve intermediate cities such as Oceanside and Santa Ana, etc. Buses which do serve them consume over 3 hours en-route, which is too slow to compete and attract significant use. Even the non-stop buses will be slower than the proposed local train.

* - NOTE * On weekends and evenings, electric trains can utilize hydro, nuclear or coal-fired electricity, avoiding foreign oil consumption and reducing domestic oil demand. In the future, all train energy can come from these sources.

ROUTES · SCHEDULES PUBLIC TRANSPORTATION PLANNING · ECONOMICS

ø - excluding commuters



SAN DIEGO - LOS ANGELES
AMTRAK TRAIN ROUTE

SAN GABRIEL MOUNTAINS
to Northern California
Amtrak
Glendale
Pasadena
LOS ANGELES
Pomona
Amtrak
to Salt Lake City, Las Vegas, Kansas City, Chicago
San Bernardino
La Mirada
Fullerton
UP
AT&SF
Riverside
Anaheim
SANTA ANA
Amtrak
to Phoenix, ElPaso New Orleans
Sun City
El Toro
Leisure World
Mission Viejo
San Juan Capistrano
Add two bus round trips to vastly improve service and connections
Indio
San Clemente
Fallbrook
Camp Pendleton
PACIFIC OCEAN
OCEANSIDE
Escondido
Leucadia
Encinitas
DelMar
Poway
Elvina
La Jolla
Mirimar
Garnet-Balboa Av
I-8-Friars Road
SAN DIEGO
National City
Chula Vista
Otay
San Ysidro
Tiajuana
LEGEND
Double Track electrified railroad
Single Track electrified railroad
Other Amtrak rail lines
New Light Rail Transit to Mexican border (un.cons.)
Additional track capacity required, one but not both
New short route construction proposed
Improved Intercity bus service to compliment rail improvement

ECONOMIC JUSTIFICATION FOR ELECTRIC AMTRAK SAN DIEGO TRAINS

Los Angeles - San Diego - average train fare	$ 10.66
PSA Air fare, plus limousene and bus at airports	15.50
Cost of driving @ 18¢ incremental for 1.4 persons	16.33

- - - - - -

Train kilowatt hours = 23,203,104 per year
÷ 14 = 1,657,365 gallons of fuel

201,000,000 annual passenger miles = 121.5 passenger miles per gallon

- - - - - -

Air travel for 201,000,000 pm x 24 pm/gal. =
8,388,875 gallons of fuel

Driving automobile x 26.6 pm/gal. =
7,568,910 gallons of fuel

- - - - - -

Train passengers, 25% from air travel = 50,250,000 pm
" " 75% from auto travel 150,750,000 pm

CONTINUE STATUS QUO:

900,000 annual Amtrak passengers consume	1,112,520 gal.
375,000 divertable air travellers consume	1,984,375 "
1,125,000 auto riders consume	3,383,459
Annual fuel consumption currently of potential Amtrak electric train riders	6,480,354
Fuel consumption with electric train service	1,657,365
Annual energy saving with electric trains	4,822,989 gal.
Value of energy saved, per year	$4,822,989

COMPREHENSIVE COMPARISON

Train fare for 201,000,000 passenger miles	$16,056,208
Air fare for 50,000,000 pass.mi.incl.access	6,102,360
Auto travel for 150,000,000 pass.miles	19,285,713
Consumer savings with better trains	$9,331,865
Annual net cost of rail improvement	$8,910,000
less railcars amortized from fares	1,080,000
Net, net cost of rail improvement	$7,830,000
Benefit ratio	1.2

ie. a 20% return.

AMTRAK LOS ANGELES - SAN DIEGO CORRIDOR

CAPITAL IMPROVEMENT PROGRAM

Necessary for cost-effective, marketable service

WAY and STRUCTURES IMPROVEMENTS:

La Mirada station and parking	$350,000	
El Toro station	250,000	
Encinita station and parking	350,000	
Gilman Road station and parking-Elvira	350,000	
Balboa-Garnet Avenues station, San Dgo.	350,000	
I-8, Friars Road station, San Diego	400,000	
		$2,050,000
Third main line track, east from L.A.	$4,000,000	
Double track San Diego sta. apprch	600,000	
Encinitas, 3 more miles of siding	1,500,000	
Solano Beach passing siding	600,000	
Capistrano Beach passing siding	600,000	
		$3,300,000
Relieve five curves for higher speed	$1,500,000	
Shorten line, Elvira to Del Mar 4 mi.	5,000,000	
		$6,500,000
Construct 25kv, 60 Hz electrificat'n	$35,000,000	
Three power sub-stations	6,000,000	
Adapt CTC signals to electrification	6,000,000	
		47,000,000
31-500kw mu passenger cars, incl. six combines, six cafe-coaches	34,000,000	
less: credit for 27 Amfleet cars and five locomotives returned	-22,000,000 cr.	
Car shops to maintain cars	5,000,000	
		17,000,000
Contingencies @ 15%		11,377,500
Engineering @ 8%		7,772,500
TOTAL NET PROJECT COST		$99,000,000
Annual amortization @ 7½% gov't rate	(note *)	$8,910,000
Annual consumer savings		$9,331,865
Benefit ratio	(note *)	1.2

Less tangible benefits:

increased travel safety

less foreign oil consumption

less highway congestion

less air pollution

greater mobility for all

* - NOTE * The consumer savings are net after payment for the rail rolling stock out of fares. The capital recovery (amortization) already includes this cost. The gross savings are $10,411,865 from which the benefit ratio is calculated.

EXPLANATION OF SERVICE IMPROVEMENTS

Amtrak San Diego - Los Angeles Rail Line

TRAIN SCHEDULES:

Speed, ie. minimum travel time, is the most important determinant of passenger useage. Trains are scheduled as fast as safety, technology and minimum right-of-way improvements permit without unjustifiable investment.

Arrival times at the terminal points are set at 20 minutes before the hour to minimize time waste between arrival and appointments on the hour. An additional 8:10am arrival in Los Angeles is provided to shorten San Diego trains to conserve car miles, to provide additional cars for Sunday evening peaks, and to offer a 30-minute headway at the time of peak movement. The return movement of this train is set at 5:05pm to pick up the 4:30 and 4:45pm office quits.

STATIONS:

San Diego is not producing its share of passengers. The new Light Rail access will help, but the prime need is for quicker, more convenient access for northeast San Diego residents, such as Boston has at Route 128, New Jersey has at Metropark, Philadelphia has at Paoli, and Washington has at Capitol Beltway. A station on empty ground under I-8 is provided with parking for this purpose. It will not detract much from the Santa Fe depot at Broadway which is more convenient for downtown, but will attract new riders. Bus routes 4, 5 and 80 give direct access to Linda Vista, Old Town, The Stadium and San Diego State College, as well as Sea World. Oceanside and San Clemente produced 11.7 passengers per day per thousand population in 1979, but San Diego generated only 1.5. Two thirds of this difference can be explained by the two-way travel opportunity at Oceanside (to LA or San Diego), as opposed to single direction travel by train at San Diego, where there are three directions. (To LA, Mexico, and east to El Cajon and El Centro). Accepting this natural difference, San Diego should produce 3.9 passengers per day per thousand population, up 2.6 times over the present level. This is quite similar to the increase estimated independantly by the travel demand model.

Balboa and Garnet Avenues also need a station for the important areas of Clairemont, La Jolla and Pacific Beach. Parking may not be available here, but bus routes 14, 27 and 50 serve the station. It is a 32-minute bus ride on the #5 bus from Balboa Avenue to Broadway, but only ten minutes by train. Over 90% of the bus riders would prefer to transfer to save time, but train fare here in this case must be higher than bus fare, 80¢ vs. 50¢. Only those with the highest premium on time will use the train, and then only when the train suits their time, as at 7:30 and 8:30am going to San Diego and at 4:44pm and 5:28pm returning. It is necessary to carry some local train riders here to keep the load factor high, and to help amortize the facility for those making longer trips.

Elvira needs a station at Gilman Road to provide a trip into San Diego fast enough to divert people from auto to public transportation. Auto parking can be provided. University City, UC-SD, and adjacent residents can and will use this station for work trips to San Diego because it will be so much faster than bus service. San Diego has a very low level of transit use because buses are so slow.

Explanation of Amtrak Service Improvement Recommendations - 2

Encinitas and Leucadia are halfway between Del Mar and Oceanside with triple Del Mar's population. Trains should stop at Encinitas to give these people good access to San Diego and Los Angeles. The schedules have been designed so that the most heavily travelled trains operate non-stop at these added station to avoid time loss, but seven trains to San Diego and five to Los Angeles should stop here. It delays the train only a minute and a half (with electric trains) but saves the passengers several miles of travel by energy consuming substitutes if they can board the train at home.

San Clemente has 17,000 people, but only two trains each way per day. With the added trains, and the higher speed made possible by electrification, more trains can serve San Clemente.

El Toro has grown to over 10,000 population,and is near to Leisure World, Lion Country Safari, El Toro Marine Base (Air) and Mission Viejo. It is also within reasonable distance of Irvine. Making good use of rail service will require a station stop at El Toro, but prime trains will operate through non-stop with the added trains making the stop.

Anaheim has grown to a major city, with one of the world's greatest tourist attractions. As yet, trains do not stop here. They should. Anaheim is nearly an hour from Los Angeles by bus, but only 34 minutes by train. The popularity of early westbound train service at Fullerton suggests strongly that Anaheim, with greater population, would do better. Disneyland will build midday travel, in both directions.

La Mirada is far enough east of Los Angeles to require faster public transportation. The added Santa Ana-Los Angeles train can stop at LaMirada at little loss of time to increase its load and revenue while improving local travel. Only three men on the train (standard work rules for electric trains) can move 336 seats. It would require 7 bus drivers to move the same number, but not as fast. In a full schedule cycle, more than 7 bus drivers would be required.

The main line of the Atchison, Topeka & Santa Fe Railway is double track but very busy west of Fullerton. To avoid delay to industrial freight switching or through freight trains, a third track is necessary in this area to accomodate good San Diego passenger service. If space is unavailable, the little used track thru Garden Grove can be redeveloped.

AMTRAK SAN DIEGAN's PATRONAGE ESTIMATE

where: $A (P_1 \times P_2) \div D^2$ = Average daily travel

A = Service factor constant (10 trains = 20)

P_1 = Population in thousands of first station

P_2 = Population in thousands of second station

D^2 = Distance in miles squared.

This model has been calibrated from actual experience with short haul intercity rail passenger service with convenient schedules, in the United States, but excluding the New York area.

LOS ANGELES - SAN DIEGO PATRONAGE

Existing Proposed /	SanDgo	DelMar	Ocnside	San Clm	San JnC	Sanna	Fultn	Los A
San Diego		34						881*
Balboa Ave.	365							0
Gilman Rd.	290							0
Del Mar- Sol.	129							172
Encinita-Leuc.	145							0
Oceanside	370	12						200
San Clemente	68	2	34					111
Sn Juan Capst.	12	0	4	11				56
El Toro	32	0	0	0	0			0
Santa Ana	288	6	55	69	30			411
Anaheim	-	-	-	-	-	812		0
Fullerton	126	2	21	11	7	92		290
LaMirada	-	-	-	-	-	-	252	0
Los Angeles	2,735	48	331	250	72	128 282	322	236+653
TOTALS	4,560	70	445	341	109	374	574	2,627*
Locals	(940)				128	812		
					(ElTor)	(Anhm)		
Add across	(1,913)							
LINE TOTAL	7,413							

* - NOTE * The detailed data in the lower left portion of the matrix is the improved service patronage estimate. The sporadic data on the upper right is the actual 1979 which totals 2,627. The on-off count from which the data is taken does not disclose origin to destination trips except at the stations adjacent to the first and last, and then only in the shortest direction. At the terminal points, double counting is present, but eliminated from the total.

Between Santa Ana and Los Angeles where trains are now scheduled at business hours, future volumes are no higher than current, station by station. Large increases at the southern end of the line generate from marked service improvement, both as to earlier arrival times in San Diego, with peak hour local service, but also faster running time which is benefited more on the longer trips. Only 0.6 annual rides per capita in the corridor are projected, which is very conservative.

REVENUE POTENTIAL

AMTRAK SAN DIEGO - LOS ANGELES RAIL CORRIDOR

With Improved Service

INTERCITY REVENUE BASE: 50¢ per passenger plus 8¢ per mile

LOCAL REVENUE BASE: 35¢ per passenger plus 6½¢ per mile

(Local one way fares will be the same as intercity, but multi-ride tickets sell for reduced rates to compensate for the steady patronage and higher load factors.)

SAN DIEGO to: (and from:)

Balboa Avenue	365 x	80½¢ x	278 days =	$81,683
Gilman Road (Elvira)	290 x	$1.02 x	278 " =	83,240
Del Mar	129 x	1.845 x	299 " =	71,163
Encinitas	145 x	2.365 x	299 " =	102,535
Oceanside	370 x	3.015 x	299 " =	333,549
San Clemente	68 x	5.46 x	365 " =	135,517
San Juan Capistrano	12 x	6.10 x	365 " =	26,718
El Toro-Leisure World	32 x	6.66 x	365 " =	77,789
Santa Ana	288 x	7.78 x	365 " =	817,834
Fullerton	126 x	8.66 x	365 " =	398,273
Los Angeles and beyond	2,735 x	10.66 x	365 " =	10641,611

DEL MAR to:

Oceanside	12 x	$1.52 x	299 " =	5,992
San Clemente	2 x	3.62 x	365 " =	2,643
Santa Ana	6 x	5.94 x	365 " =	13,009
Fullerton	2 x	6.82 x	365 " =	4,979
Los Angeles and beyond	48 x	8.82 x	365 " =	154,526

OCEANSIDE to:

San Clemente	34 x	$2.18 x	365 " =	27,054
San Juan Capistrano	4 x	2.82 x	365 " =	4,117
Santa Ana	55 x	4.50 x	365 " =	90,338
Fullerton	21 x	5.38 x	365 " =	41,238
Los Angeles and beyond	331 x	7.38 x	365 " =	891,615

SAN CLEMENTE to:

San Juan Capistrano	11 x	$1.38 x	365 " =	4,577
Santa Ana	69 x	2.82 x	365 " =	71,022
Fullerton	11 x	3.70 x	365 " =	14,856
Los Angeles and beyond	250 x	5.70 x	365 " =	520,125

SAN JUAN CAPISTRANO to:

Santa Ana	30 x	$2.18 x	365 " =	23,871
Fullerton	7 x	3.06 x	365 " =	7,818
Los Angeles and beyond	72 x	5.06 x	365 " =	132,977

EL TORO (Leisure World) to:

Los Angeles and beyond	128 x	$4.50 x	365 " =	210,240

SANTA ANA to:

Fullerton	92 x	$1.065 x	278 " =	31,075
Los Angeles and beyond	282 x	2.69 x	278 " =	222,645

ANAHEIM (Disneyland) to:

Los Angeles and beyond	812 x	$2.30 x	278 " =	519,193

Amtrak Revenue Potential
Improved San Diego Service
page 2 of 2

FULLERTON to:

Los Angeles and beyond 322 x $1.975 x 278 days = $176,794

LA MIRADA to:

Los Angeles and beyond 252 x $1.65 x 278 days = 115,592

SAN DIEGO LINE TOTAL 1980 pro forma	$ 16,056,208
Other income (concessions) no food	240,843
TOTAL ANNUAL RAILWAY OPERATING INCOME	$ 16,297,051

($5.62 per car mile = 69.3 passengers = 82.5% load factor
Average fare per passenger mile = 7.99¢
Average revenue per passenger $6.40
Average miles per passenger 80.4

NO FOOD SERVICE ECONOMICS HAS BEEN ESTIMATED

Amcafes with snack service should break even on labor and material, with no charge for the space occupied.

The abnormally high load factor is caused by the use of electric multiple unit cars, combined with major cities at both ends of the run. Cars can be dropped without switching costs when not needed. Added suburban stops refill seats left by intermediate distance travellers. No standees are contemplated, but unexpectedly, some days will run low and some will run high, creating standing conditions occasionally for short distances, just as is the present case.

To accomodate Sunday evening traffic peaks, short haul cars used for Santa Ana and Oceanside trips on weekdays can be used Sunday for the full run. It is more economical to develop short weekday trips to earn revenue, than to have costly cars sit idle waiting for Sunday peaks.

For unusual special events, standard diesel equipment can be used, but it will not be able to keep the schedule and will have to use the freight line between Del Mar and Elvira if the train is heavy.

IMPROVED AMTRAK SAN DIEGAN TRAINS
Electrified Operation

OPERATING COST ESTIMATES		1980
Maintenance of way and structures:		
Stations	$120,000	
Track, additional for pass'grs	1,740,000	
Electrification system	600,000	
		$ 2,460,000
Rolling stock:		
31 mu cars @ $20,000+40¢/mi.	1,780,155	1,780,155
Power:		
2,900,388 car miles @ 8 kwh/cm @ 4¢		928,124
Transportation:		
Train and enginemen	$2,118,005	
Extra ticket collectors	49,136	
Train supplies and expns.	1,073,144	
Station and ticket agents	218,000	
Station baggagemen+janitors	200,000	
Station energy	50,000	
Train superintendance	100,000	
		$3,808,285
Traffic promotion, marketing, advertising		240,436
General and Administrative expense		1,533,640
Liability accruals		480,360
TOTAL 1980 LEVEL OPERATING EXPENSES		$ 11,231,000
($3.87 per car mile)		
Debt service on cars, net		1,080,000
Trackage rights for Santa Fe track use		348,047
TOTAL ANNUAL CHARGES AGAINST INCOME		$ 12,659,047
Estimate Annual Revenue		$ 16,297,051
Margin, or net operating income		$ 3,638,004

NOTE: Amtrak system costs approximate $4.50 per car mile.

The 14% reduction for electrified service results from the elimination of locomotives and the switching of them in terminals, from the lack of need for reservations, and from the absence of sleeping cars with their complex components.

IMPROVED, ELECTRIFIED AMTRAK SAN DIEGO TRAINS

San Diego to Los Angeles

PROPOSED SCHEDULE

Train Number	#781	#791	#785	#771	#773	#783	#775	#797	#787	#777	#799	#789	#779
Frequency STATIONS	Wkdy	Excp Sund	Wkdy	Daly	Daly	Daily	Dly	Excp Sund	Daly	Daly	Excp Sund	Daly	Daly
	am		am	am	am	a m	pm	pm	pm	pm	pm	pm	pm
SAN DIEGO	5:30		6:30	7:35	9:35	11:30	1:30	2:35	3:35	4:35	5:20	6:35	8:30
I-8 Friar Road	5:35		6:35	7:40	9:40	11:35	1:35	- -	3:40	4:40	- -	6:40	8:35
Balboa Av-Garnet	5:39		6:39	7:44	9:44	11:39	1:39	2:43	3:44	4:44	5:28	6:44	8:39
Elvira-Gilman Rd.	- -		- -	- -	- -	- -	--	2:47	--	--	5:32	--	f8:43
Del Mar	5:57		6:57	8:01	10:01	11:57	1:57	3:02	4:01	5:01	5:47	7:01	8:57
Encinitas-Leucad.	6:06		7:06	--	- -	12:06	2:06	3:12	--	--	5:57	--	9:06
Oceanside	6:13		7:13	8:17	10:17	12:13	2:13	3:19	4:17	5:17	6:04	7:17	9:13
San Clemente	--		7:31	--	- -	12:31	2:31	p m	4:35	5:35	pm	--	9:31
San Juan Capstrno	6:39		7:40	8:43	10:43	12:40	2:40	793	--	--		7:43	9:40
El Toro-Lkes.Wld	6:47	am	7:48	--	- -	12:48	2:48	pm	--	--		--	9:48
Santa Ana	7:00	7:30	8:00	9:02	11:02	1:00	3:00	4:00	5:02	6:02		8:02	10:00
Anaheim-Dsnylnd	7:06	7:36	8:06	--	- -	1:06	3:06	4:06	--	- -		--	10:06
Fullerton	7:13	7:43	8:13	9:14	11:14	1:13	3:13	4:13	5:14	6:14		8:14	10:13
La Mirada	7:18	7:48	8:18	--	- -	1:18	3:18	4:18	--	--		--	10:18
LOS ANGELES	7:40	8:10	8:40	9:40	11:40	1:40	3:40	4:40	5:40	6:40		8:40	10:40
	am	am	am	am	a m	pm	pm	pm	pm	pm		pm	p m
Cars in train	4	3	4	4	3	2	2	1	3	4	4	2	1
Total passengers	400	285	399	397	311	221	199	78 83	297	399	295	225	118
Maximum on board	302	270	301	300	235	167	150	77 79	246	331	293	186	89

San Diegans in December 1979 had a 75% load factor for passenger turnover southbound and 83% northbound.

On Sundays, trains #787 and #777 will each carry an additional car; trains #789 and #779 will carry a total of eight cars, five on #789. The additional cars are available on Sunday when local trains do not operate.

IMPROVED, ELECTRIFIED AMTRAK SAN DIEGO TRAINS

Los Angeles to San Diego

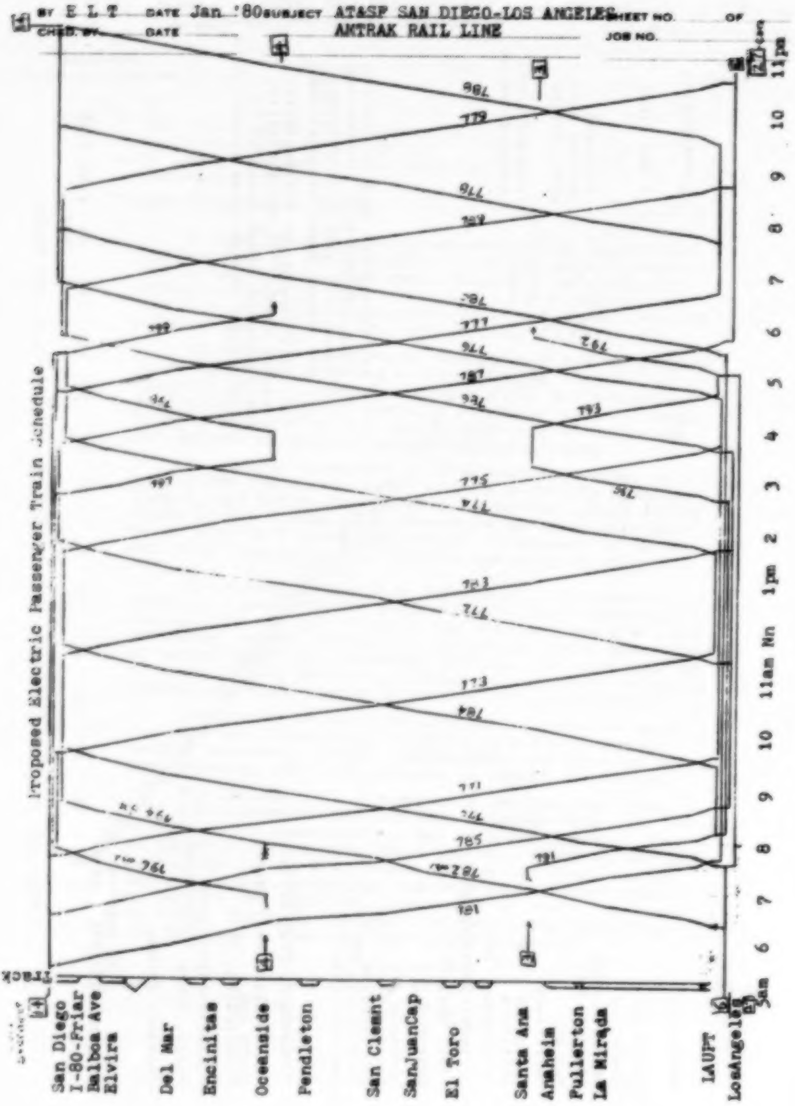
PROPOSED SCHEDULE

Train Number	#796	#782	#770	#784	#772	#774	#790	#786	#775	#792	#780	#778	#788
Frequency	Wkdy	Note ø	Daly	Daly	Daily	Daly	Excp Sund	Daly	Daly	Excp Sund	Daly	Daly	Daily
STATIONS		am	am	am	a m	pm	pm	pm	pm	pm	pm	pm	pm
LOS ANGELES		6:25	7:35	9:30	11:30	1:35	2:35	3:35	4:35	5:05	5:30	7:35	9:30
La Mirada		6:46	--	9:51	11:51	--	2:56	--	--	5:26	5:51	--	9:51
Fullerton		6:51	8:00	9:56	11:56	2:00	3:01	4:00	5:00	5:31	5:56	8:00	9:56
Anaheim-Dsnyland		6:58	--	10:03	12:03	--	3:08	--	--	5:38	6:03	--	10:03
Santa Ana		7:04	8:12	10:09	12:09	2:12	3:15	4:12	5:12	5:45	6:09	8:12	10:09
El Toro-Marine AirB		7:16	--	10:21	12:21	--	pm	--	--	pm	6:21	--	10:21
San Juan Capstrno		7:24	--	10:29	- -	2:31	==	4:31	--		6:29	8:31	10:29
San Clemente	am	7:37	8:39	10:38	12:37	2:40	#798 pm	4:40	5:39		--	8:40	10:38
Oceanside	6:55	7:55	8:57	10:56	12:55	2:58	3:55	4:58	5:57		6:55	8:58	10:56
Encinitas-Leucadia	7:02	8:02	--	11:03	1:02	--	4:02	--	--		7:02	--	11:03
Del Mar	7:11	8:11	9:13	11:12	1:11	3:14	4:11	5:14	6:13		7:11	9:14	11:12
Elvira-Gilman Rd.	7:25	8:25	--	- -	--	--	4:25	--	--		f7:25	--	- -
Balboa & Garnet Ave	7:30	8:30	9:30	11:30	1:29	3:31	4:30	5:31	6:30		7:30	9:31	11:30
I-8 Friar Road	7:34	8:34	9:34	11:34	1:33	3:35	--	5:35	6:35		7:35	9:35	11f35
SAN DIEGO - BmAY	7:40	8:40	9:40	11:40	1:40	3:40	4:40	5:40	6:40		7:40	9:40	11:40
	am	am	am	a m	pm	pm	pm	pm	pm		pm	pm	p m
Cars in train	4	2	2	2	3	3	1	3	6	3	4	2	2
Total Passengers	292	171	208	207	264	306	85 48	310	610	295	503	244	163
Maximum pass.aboard	286	129	157	156	199	231	81 46	234	488	280	352	184	123

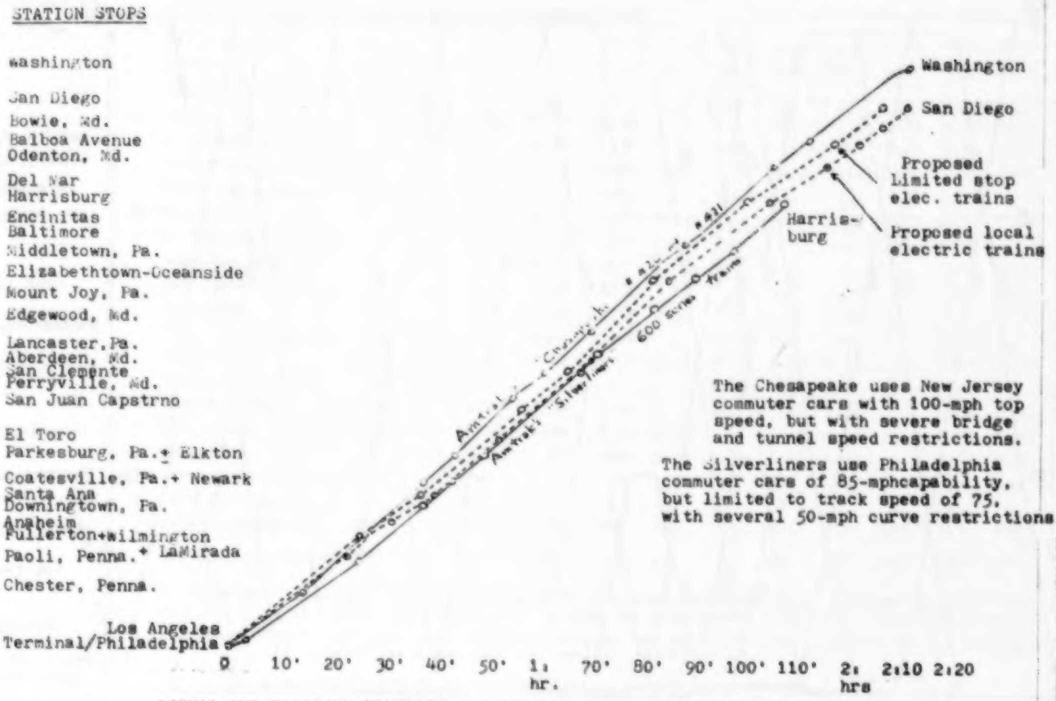
On Saturdays in season, trains #782 and #770 will each carry six cars, obtained in part from train #795. On Sundays, train #778 will carry five cars, and train #788 three.

ø - Note - Train #782 will only operate weekdays, but train #795 will operate on the same schedule between Santa Ana and Los Angeles, Saturdays only.

"f" - indicates that train stops only on flag or notice to conductor.


BY E L T
DATE Jan. '80
SUBJECT AT&SF SAN DIEGO-LOS ANGELES AMTRAK RAIL LINE
SHEET NO. OF
CHKD. BY DATE
JOB NO.
Proposed Electric Passenger Train Schedule
Track
San Diego
I-80-Friar
Balboa Ave
Elvira
Del Mar
Encinitas
Oceanside
Pendleton
San Clemnt
SanJuanCap
El Toro
Santa Ana
Anaheim
Fullerton
La Mirqda
LAUPT
LosAngeles
5am
6
7
8
9
10
11am
Nn
1pm
2
3
4
5
6
7
8
9
10
11pm
786
779
776
777
787
774
783
772
773
784
771
785
781

BY E L T DATE Jan. '80 SUBJECT ELECTRIC RAILCAR SPEED CAPABILITY ON PRESENT TRACK SHEET NO. OF
CHKD. BY DATE JOB NO.



The Chesapeake uses New Jersey commuter cars with 100-mph top speed, but with severe bridge and tunnel speed restrictions.

The Silverliners use Philadelphia commuter cars of 85-mphcapability, but limited to track speed of 75, with several 50-mph curve restrictions

ACTUAL AND PROPOSED ELECTRIC MULTIPLE UNIT CAR RUNNING TIME WITH STOPS

E. L. TENNYSON, P.E.
[illegible] MAPLE ROAD
MIDDLETOWN, PENNA. [illegible]

REGISTERED
PROFESSIONAL ENGINEER

PHONE
(717) [illegible]

February 11, 1980

The Honorable William Hughes, M.C.
Representative of New Jersey
US Congress House Office Building
Washington, D. C. 20515

Dear Congressman Hughes:

I understand you and Congressman Florio are holding hearings on Philadelphia - Altantic public passenger transportation this week. Because I am unable to attend because of other obligations, I am asking that you have this letter incorporated in the formal records of your hearing, and that you consider it seriously.

As a former resident of New Jersey, and as the engineer who first prepared a report on the feasibility of Atlantic City, Lindenwold, Cherry Hill, Philadelphia, International Airport electric passenger rail service, I believe that time and events have only strengthened the original concept of profitable feasibility.

On several occasions, I have testified under oath before the New Jersey Board of Public Utility Commissioners, and before the Commuter Operating Agency of the State of New Jersey as to the value (or potential value) of this rail passenger service in support of the Ocean City Commuters' Club and for the City of Atlantic City.

The energy crisis with foreign oil, the adverse balance of payments for such oil, the unsatisfactory air quality all too often in the metropolitan area, and worsening traffic congestion all point in the direction of needed good rail passenger service. The poor showing of present rail service is caused by very poor pricing, abysmal service, poor utilization, and no management

The public is strongly in need and favor of good rail service. Ocean City voted on it a few years ago before the energy crisis. Abandonment was rejected by the voters in spite of pressure to remove the tracks.

The Philadelphia - Harrisburg service has grown from 850 passengers per day with Atlantic City type service to 3,300 passeners per day with good service such as Atlantic City needs. There are no casinos at Harrisburgh, nor is there an ocean. In the San Diego-Los Angeles corridor, patronage has tripled in recent years as service was improved. The market is there. The need is there. The public support is there. The justification is there. Where is Amtrak and Congress?

ROUTES · SCHEDULES
PUBLIC TRANSPORTATION
PLANNING · ECONOMICS

To confirm my original study ten years ago, the Delaware Valley Regional Planning Commission undertook a more comprehensive study at the request of the Delaware River Port Authority more recently. This study found that minimal service would be of minimum value and maximum loss. Improved electric train service to Atlantic City with improved diesel train service to Ocean City, Wildwood and Cape May would be useful and profitable.

Many people assume that extension of the "Lindenwold Line" is the natural answer to this problem. Such is not the case. The Lindenwold Line is limited by 65 mile-an-hour cars, which is too slow, and by 600 volt direct current which can not be transmitted over such long distances, except at great cost and low efficieny. It would be grossly inefficient to provide special Lindenwold line cars at great cost just for Fourth of July and Labor Day. The Lindenwold Line can never reach Amtrak connections to Newark, Trenton, New York, Lancaster, Wilmington, etc., nor Philadelphia International Airport. It would cost far too much. Its third rail would be a menace at grade crossings.

The best and proper solution to the seashore travel problem has been proven to be the extension of the Delair bridge rail electrification to Cherry Hill, Haddonfield, Lindenwold, Berlin, Atco, Hammonton, Egg Harbor, Absecon and Atlantic City at Baltic Avenue, not out in the swamp. This will cost about $25 million, or less than one mile of highway in congested areas.

Only twelve new 100 mph electric cars are needed, like the Jersey Arrows except capable of single car operation for winter low travel. For summer peaks, Philadelphia commuter cars can be borrowed when local commuting dips for the summer vacation season. These will cost $13 million and can be added to Amtrak's forthcoming purchase for Harrisburg service.

To put the track back in 100 mph shape will cost another $15 million, but it will insure profitable operation if well managed. A three-man traincrew on a four car train can take 360 passengers to the shore in relative comfort and with absolute speed. It would take eight (8) bus drivers to do the same, if buses could attract so many people. They can't. Buses are needed for those who prefer them, but the records show this is a minimumnumber. The highway system has subsidized buses long enough. It has proven to be a non-solution.

With good Philadelphia - Atlantic City service, Ocean City Wildwood and Cape May must not be forgotten. The best in new Budd diesel cars should be used on these lines at full speed on more frequent schedules, connecting at Lindenwold for downtown Philadelphia via the high speed line and for Amtrak and the airport via the Atlantic City-Philadelphia line. The best of both worlds. To avoid the cost and delay of three terminals, Wildwood should be served by a historic revival of the old Five Mile Beach electric trolley operating on the railroad right-of-way from Rio Grande to the beach. This would not only meet all trains at less cost than splitting trains, but it would capture summer tourist travel for the novelty, making money on its own. A sea breeze across the bay on a moonlit night would sell well.

The facts to prove these assertions are in the DVRPC official report. The studies have been made. The time is for action. We need to save gas, cut pollution, reduce congestion and provide some good service for a change.

Respectfully submitted,

STATEMENT OF L. CENA,
PRESIDENT, THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE HEARING ON INTERCITY RAIL CORRIDORS

At the outset, I want to emphasize that Santa Fe has historically championed the passenger train, to the extent that our passenger trains served as a valuable public relations tool until the economics of passenger operations made such prohibitive.

Santa Fe's passenger trains were models for passenger train service throughout the world. Super Chief, El Capitan and the Chiefs were known throughout the world as embodying the highest standards of speed, dependability, comfort and service. We were responsible for many innovations like high-level passenger cars, which we designed, and of which we purchased a considerable fleet, financed through our own resources. This is the high-level passenger car design that became the basic prototype for the new long-distance passenger train equipment now being constructed for Amtrak. Santa Fe continued its program of acquiring these cars until as late as 1964. We equipped and maintained our property to permit passenger trains to operate at high speeds wherever the terrain would permit. Some of our passenger train operations were at the highest average speeds of any trains then operating anywhere. Even today the Southwest Limited, the successor to the Super Chief, is operated by Santa Fe over certain of its districts, such as between Dodge City, Kansas and La Junta, Colorado, on schedules whose average speeds are equal to the fastest (Metroliner) schedules in the nation. Railroad officials from Europe and Japan made it a point to inspect and copy Santa Fe's methods, equipment and service. Although the number of passenger trains finally had to be reduced out of sheer economic necessity as the public turned more and more to the jet airplane and private automobile, we continued to maintain the same high standards until Amtrak assumed responsibility for passenger service over our line.

Since 1971, when Amtrak took over, the number of passenger trains operated between Los Angeles and San Diego over our line has doubled. Today there are 12 Amtrak trains between Los Angeles and San Diego, of which 10 operate daily and the other two operate six days a week. Transit times are now 10 to 20 minutes faster.

Nonetheless, we have had to deny Amtrak's recent request to add additional passenger service over this line because such additional passenger trains would unreasonably interfere with the adequacy, safety and efficiency of our freight operations. Although your subcommittee's attention is now focused on passenger train service, I want to point out that energy efficiency and environmental considerations are deeply involved in railroad freight service, as much or more than in connection with passenger trains. Moreover, by the very nature of freight operations in that increasingly dense traffic pattern, our freight trains must necessarily cause interference with passenger trains. Neither our freight operations nor our ability to perform as expected for Amtrak should be jeopardized by more train traffic than we can handle.

A rather superficial, narrative description of the line is in order. Between the Los Angeles Union Passenger Terminal and Fullerton, a distance of 25 miles, our line is mostly double-tracked. It is one of the most heavily congested lines on the entire Santa Fe railroad. All freight to or from the Los Angeles area must pass over at least part of that track en route to or from our Hobart Yard, which is our principal marshaling point for freight originating or terminating in this area. Hobart Yard lies immediately adjacent to the main line between Fullerton and Los Angeles. Most of the area through which this line passes is industrial, with many industrial sidings, delivery tracks and switching operations. Construction of additional tracks on the existing right-of-way is not feasible and there is insufficient space to expand the right-of-way.

At Fullerton, San Diego-bound trains turn generally toward the southeast and operate over single track to the outskirts of San Diego, where the last few miles again become double track. From Fullerton to the Irvine area, the area traversed is either industrial, with numerous industrial spurs, or residential. The right-of-way is quite narrow and, again, there is very little open, adjacent land for expansion. Beyond Irvine, the route becomes relatively open, passing through the coastal range of hills. Just north of San Clemente, the railroad reaches the coast and abruptly changes direction to run in a southerly direction along the beach at San Clemente. The railroad is literally on state and municipal beaches at the foot of cliffs. Then there is a relatively open area from San Clemente to Oceanside. But from Oceanside to Del Mar, the railroad runs at grade through the beaches at Del Mar. From Del Mar, the line leaves the coast and climbs through the coastal range of hills in Rose Canyon on grades up to 2.2 percent, which are steep but, because of their relative shortness, are acceptable for freight trains, but which are serious obstacles to sustained high-speed passenger train operation.

Most of the right-of-way I have described is not wide enough for a second main track, or even for sidings long enough and frequent enough to avoid excessive delays to both passenger and freight trains. The consequences are serious in that during the hours that passenger trains are operated, the line becomes virtually dedicated to passenger trains only and freight service and maintenance-of-way are seriously disadvantaged.

We have not conducted any study during the recent past as to the cost of changing our line in order to achieve faster running times and to accommodate additional passenger trains. There are several reasons for this. In the first place, even with today's fairly heavy volume of freight movement, the line is adequate to meet the needs of the freight operations and a reasonable amount of passenger train service. Any additional work would be almost entirely for the benefit of the Amtrak passenger train operation. Moreover, we know that the only realistic way to get more and faster passenger train service between Los Angeles and San Diego is to place such passenger trains on an alignment and right-of-way of their own. As already stated, the existing right-of-way does not lend itself to the construction of additional main-line double track and sidings, or to the straightening of curves and reducing of grades which are essential to ultra high-speed passenger train operations.

Finally, no single alignment and right-of-way can really be suitable for both freight and ultra high-speed passenger service. To achieve a comfortable ultra high-speed passenger train ride, the roadbed must be maintained to standards of level and alignment which are extremely difficult, if not infeasible, to maintain when freight trains operate over the same track.

In this connection, I noted with interest a newspaper report which appeared in a number of southern California newspapers, as well as the New York Times and various other papers throughout the country, at the time of your committee's recent hearings in San Diego. In those newspaper accounts, Mr. Tatsuya Ishihara, identified as an official of the Japanese National Railways now working with the Department of Transportation of the United States, told reporters that a "track 'dedicated' to high-speed passenger service had been proved best by experience in his country. 'It's possible to use the same tracks for both,' he said. 'But in that case, you have maintenance costs at least seven or eight times more expensive.'" In that same article, an assistant chief for mass transit of the California Department of Transportation was reported as saying that "if we go to trains averaging 120 mph or more, then we very well would look at a whole new right-of-way. At that dollar amount ($100 million) why tinker around with the present track? Why not look at more radical solutions?" In an article in the Los Angeles Times on January 14 of this year, a special assistant to Amtrak vice president said in an interview, "passenger officials should be thinking of complete new right of way rather than improvements to existing passenger and freight track." He said,

> "'There is no way to increase the frequency and speed of trains on the Santa Fe without major structural changes.
>
> "'With the speeds that are really needed for good service -- 120 m.p.h. and more -- it is physically incompatible to run freight and passenger service on the same tracks.'"

He went on to say that

> "Passenger trains averaging 100 m.p.h. or more on curves need special banking not desirable for freights averaging 20 to 30 m.p.h."

What he meant was that the degree of superelevation of the outside rail required for a comfortable, safe, ultra high-speed ride results in excessive rail wear and even danger when a slow-speed freight train operates over the same tracks. The same newspaper report interviewed Mr. Ishihara, to whom I previously referred:

> ". . . JNR recommends that freight traffic be separated from high-speed passenger trains.
>
> "'There are different standards, so dedicated track for passenger lines is the best solution,' he said, 'especially if you have speeds at 130 m.p.h. or more with sufficient frequency.'
>
> "A freight train can destroy tracks very quickly, particularly those delicate rails for high-speed trains, the JNR official said. 'It's possible to use the same tracks for both. But in that case, you have maintenance costs at least seven or eight times more expensive.'"

I agree completely with those comments. For ultra high-speed passenger trains, a separate right-of-way and track structure are required.

Our right-of-way is not such as to permit the construction of a separate passenger train track structure. There are areas where the right-of-way is not wide enough to accommodate any additional tracks or where even if there were more tracks, the grades or degrees of curvature would continue to be incompatible with ultra high-speed passenger train operations. In some areas, the construction of additional tracks and the imposition of an ultra high-speed passenger line would be wholly inconsistent with the nature and use of the adjacent land.

No significant benefit would accrue to the Santa Fe or to users of its freight service from reconstruction to accommodate ultra high-speed passenger trains. We feel that the only practical solution, either short range or long range, is to have the freight trains continue to operate on their present route, while a new alignment is selected for the ultra high-speed passenger train operation, an alignment which will facilitate such ultra high-speed operation without having an adverse effect upon freight operations. Moreover, the alignment chosen would be one best calculated to serve, and most convenient to, passengers rather than to freight.

L. Cena
President
The Atchison, Topeka and
Santa Fe Railway Company

February 26, 1980

COUNTY OF ATLANTIC

Board of Freeholders

Joseph J. Messick
Freeholder-At-Large

Guarantee Trust Building
Atlantic City, N.J. 08401
Telephone: (609) 345-6700 Ext. 224

TESTIMONY -

OF -

JOSEPH J. MESSICK
Atlantic County Freeholder

Page 1

If one concept in transportation is important, it is "save our old rail corridors". We can with proper planning, develop these right of ways to serve the future transportation needs of South Jersey. Atlantic County's future is one of drastic and far reaching change. We must be prepared with action now if we are to guarantee mobility in the next decade.

Reports from recogonized authorities tell of fast reaching and moving change. Employment, in Atlantic County is projected to reach 276,000 jobs by 1990. In contrast, without Casinos, employment would total by 1990 less than 100,000 positions. Population increases are likewise high. From 1900 to 1970 our average county growth per decade was 10,000 people. 1970 - 1980 is expected to be between 15,000 and 20,000 people. But this decade, 1980-1990 projections are for a population growth of 200,000+ people living in Atlantic County.

Casinos will open at a rapid rate. One report estimates 3+ openings per year 1980-85 and 2+ opennings per year 1985-1990. Each casino will bring at least 4,000 additional jobs. Contrast this with the successful drive to bring the Saratoga contract to Philadelphia. That effort enlisted the support of six Senators and all Representatives from New Jersey, Pennsylvania and Delaware. However the estimated new job total, as reported by the Philadelphia Bulletin was slightly over 2,000 jobs. Thus 4,000+ jobs for each casino in a much smaller and constricted area will bring the drastic problem, especially in transportation, to Atlantic City, Atlantic County and the South Jersey Region.

This new labor market will press beyond the boundaries of Atlantic City and Atlantic County, no matter how fast population grows. It is projected that seven South Jersey Counties will be tied partly or all to the Atlantic County region. Camden, Cape May, Burlington, Cumberland, Ocean and Gloucester will have residents tied to the emerging shore employment and vacation region. This movement is complicated by the outward thrust of the Camden-Philadelphia metropolitan area. Thus, there is a strong and fast emerging demand and need for mass transportation to both Shore and Camden-Philadelphia. It is unlikely that such demands for two ends of the same transportation line at the same time has ever existed before in our county. Our good fortune is that there is strong possibility that this two-direction demand can come very close to pay for operation and possibly capital improvements.

Add to this new, rising need for transportation, is that our present highways, outside of the extremely limited toll roads (GSP - ACE), were built well before WW II. While the Black and White Horse Pikes were rebuilt after 1955, they still are extremely dangerous. All other roads reflect our previous semi-rural heritage. These county, state and federal roads contain only one lane in each direction. If we are without an integrated regional transportation network, then additional billions must be spent to upgrade and dualize our roads. Condemnation and road

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Page 2

construction will surely upset our economy. Likewise, it is important to understand that no new superhighways can be built to Atlantic City (by 1990-80% of the visitors will visit casinos) because of development of the mainland, cost and enviromental considerations. Without mass transit, we will surely suffocate.

Add to these facts the unheard of increase in people visiting Atlantic City and County. It is projected that we will serve almost 25 million visitors (24.8) by 1990 which is triple the number of people projected in 1980 which is double the 1976 figure. If our economy is going to continue growing, if we are to continue tinue full employment and if we want to insure mobility, we must, today and together, work to bring adequate mass transportation to our area.

This hearing is a fine first step to achieve our common goal. However, we must see the line from Atlantic City to Lindenwold as only a segment, though important, in the final transportation solution. I have identified various segments of our transportation solution.

1. The line to Lindenwold from Atlantic City -

   The service must be upgraded. However, we should study whether it is better to continue with railroad service with its work rules based on distances or to upgrade the line with light rail or heavy rail service with its union work laws based on time. This service is important and an early decision must be made.

2. Service in Atlantic City -

   Moving people in the city is important. Should a special people mover costing hundreds of millions, or a Pacific Avenue transit mall or expanded bus and jitney service be made available? Unfortuneately, the federally funded Atlantic City study chose to ignore the light rail possibility and really will not be able to objectively report. We must understand that the city is a unique area that must consider how each system fits into the city. An ugly elevated structure on top of a narrow street can only increase urban blight.

3. Service to Atlantic County -

   The old West Jersey & Seashore R.R. line to Mays Landing and beyond can be converted to a light rail line serving both Atlantic County and the Lindenwold Line. The value of this line is that it re-inforces older towns, newer shopping areas and sharply define the projected urban growth along the Black Horse Pike and Route 40 towns. A branch line from Pleasantville to Shore Road towns of Northfield, Linwood and Somers Point would serve with light rail service this densely populated area. This Atlantic County Service could be designed to

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serve the Race Track, Atlantic Community College and Vocational School along with the new industrial park in Hammonton Township.

4. *Connections to Philadelphia to serve 30th Street Station & the Airport*

   This segment would extend from Lindenwold through Camden County including Haddonfield, Cherry Hill, and Pennsauken and would be South Jersey's gateway to air and rail travel.

5. *A Downbeach Light Rail Line -*

   This proposal connects to the Pacific Avenue Transitway which in turn would serve all Casinos, Bader Field, The Atlantic City Business and Office Communities and Gardners Basin.

We can only approach this transportation question by looking at the whole question. This attempt to revive the old PRSL White Horse Pike line is excellent especially when placed into a picture of total rail transportation needs for our area. By this joint effort we shall be able to arrive at a sensible solution that guarantees our future transportation needs would be met.

Joseph J. Messick
Atlantic County Freeholder

[Whereupon, at 12:55 p.m., the subcommittee adjourned.]

○